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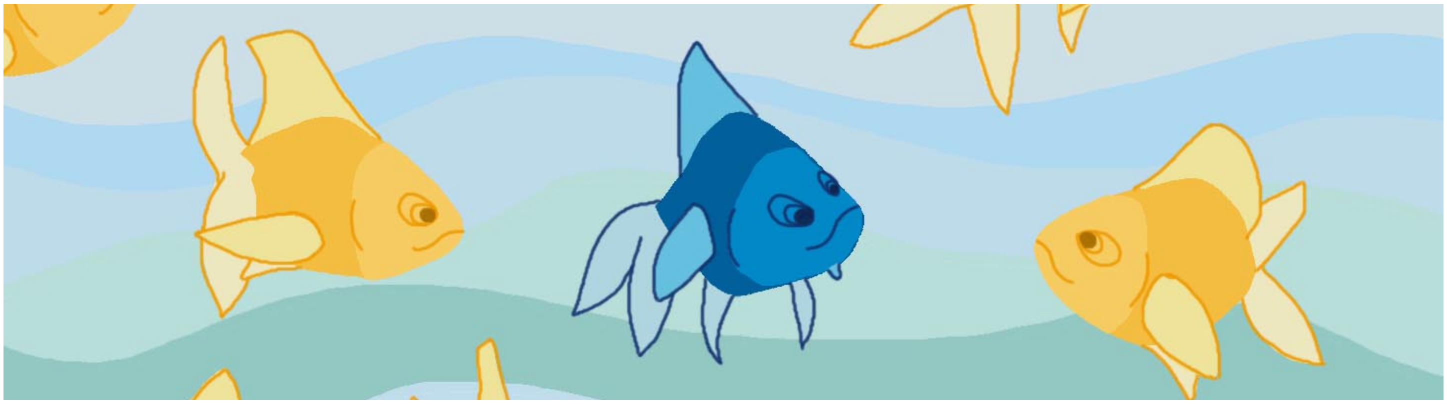
PREMIUM CONTENT

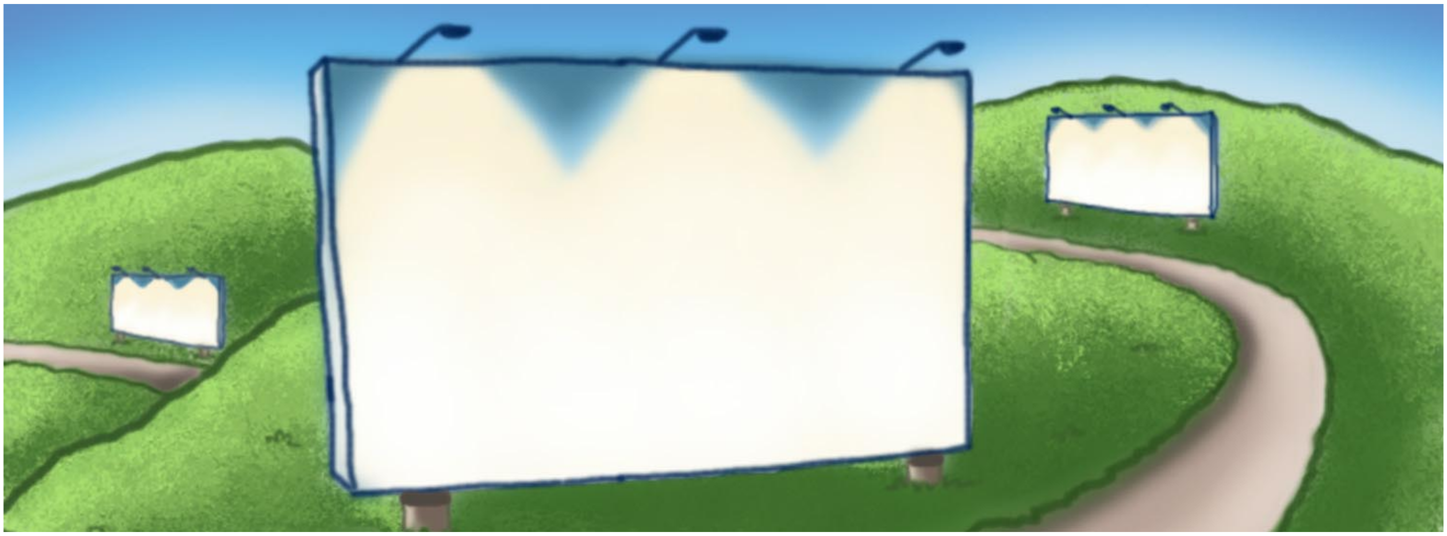
Best of MarketingProfs 2004

marketing know-how from professionals + professors

Contents



Contents



Best of MarketingProfs 2004

Although this compilation is titled

"Best of MarketingProfs," I prefer to think of it as "Best of the Best of MarketingProfs," because so much of what appears in our weekly newsletter is already... well, the "best." MarketingProfs publishes simply the best marketing information available in any forum—online or offline. That's because you, our readers, demand it.

My standard greeting in each weekly MarketingProfs newsletter is "Greetings, discerning readers!" That's not simple flattery. The truth is, MarketingProfs readers *are* discerning. You are a discriminating bunch—and equally demanding. You constantly challenge the writers (and staff) to produce more information, better know-how, and relevant resources to help you do your jobs.

And we respond. Last year, we introduced two levels of content (Premium and non-Premium), improved the frequency and relevance of our virtual seminars, launched the Know-How Exchange, and later beefed up its functionality and menu of offerings.

Yet, our newsletter content remains a cornerstone of the MarketingProfs site. But with our expanded offerings and better overall content, our strengths can sometimes also be our weakness: We publish so much good stuff that... well, there's just *so much* of it!

In 2004, for example, the newsletter published just over 350 articles. And though I've read them all, my guess is that one or two (or more) may have slipped by you.

So here are 25 of what I consider the best of the best of MarketingProfs articles, chosen from the 2004 publication year. But I didn't merely select the most obvious candidates from the site—the Premium content from 2004, for example, or those articles that regularly appear in our "Top 10" list on the site.

Instead, I focused on some hidden gems in the archives—articles you might have missed, but shouldn't—because, together, they offer marketing-expertise breadth or depth, and occasionally a comprehensive or novel look at a particular (and, sometimes, emerging) topic.

So enjoy our "best of the best" collection. And let us know what you think. As always, your feedback is both welcome and encouraged. ■

Ann Handley
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Just What Is a Brand, Anyway

by **Debbie MacInnis**
June 22, 2004

If you were to look at what people have written about branding, chances are you'd be confused about many things, not the least of which is the term "brand."

What is a brand, anyway? What does it mean? How is it different from brand image, or other terms for that matter?

Are We Confused Yet?

There is a good reason why you may be confused. No one seems to agree on just what a brand is. Look, for a minute, at the various ways different organizations, people or companies have defined "brand" (italics mine):

1. The American Marketing Association defines a brand as a *name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct* from those of other sellers.
2. The well-known advertising creative site Adcracker defines a brand as "*the sum of all feelings, thoughts and recognitions* — positive and negative — that people in the target audience have about a company, product or service."

This definition resonates with those of companies such as Hyundai and brand-naming companies like Brand.com. The former defines a brand as "nothing more, nothing less than people's perceptions about a product or company." The latter defines it as "the proprietary visual, emotional, rational, and cultural image that one associates with a company or a product. A brand is how the company is perceived by its consumers—the associations and inherent value they place on your business."

3. Michael Eisner, arguably one of the biggest keepers of the Disney brand, defines a brand as a *living organism* and suggests that it is "enriched or undermined cumulatively over time."
4. The company Virtual Business defines a brand as the *personification* of the organization, its products and services.
5. The Brand Names Education Foundation defines a brand as "a *highly compressed communicator*." According to the foundation, brands "deliver rich bursts of information that ease, speed, and reduce the costs of transactions, enabling the economy to function more efficiently."
6. The company Target Marketing proposes, "A brand is not a name. A brand is not a positioning statement. It is not a marketing message. It is a *promise*, made by a company to its customers and supported by that company."
7. Several companies describe the brand as the *face of the company to the world.*
8. Finally, the European Brands Association proposes that a "brand is a *constant point of reference: a contract, a signpost, a relationship*. A contract because it implies constraints and responsibilities. It is a signpost because it shows consumers a way to fulfill their needs. It is a relationship because trust and loyalty are earned over time."

Brands Versus Brand Images

So who's right?

Wouldn't you—the discerning reader—agree that the AMA definition is an accurate and clear definition of the term "brand"? It indicates what a brand is—it is a marker that distinguishes one firm's products from those of another. It bears strong correspondence with the original use of the term "brand."

"To brand" was to use a hot iron on cattle (called a "branding iron")—to burn into the haunches of cattle a mark that differentiated one rancher's cows from another's.

The notion that the brand is the sum of all thoughts and feelings, I would argue, refers to something different—that of brand image. Brand image is *not what a brand is, but what it means* to consumers.

Brands Versus Brand Metaphors

The remaining definitions are really metaphors for brands.

A "definition" is "a statement of the meaning of a word. A definition answers the question, *What is it?*

A metaphor is something quite different. It is a figure of speech in which a word or phrase that ordinarily designates one thing is used to designate another, thus making an implicit comparison. A metaphor is one thing conceived as representing another. A metaphor answers a different question, *what is it like?*

The Value of Brand Metaphors

So should we toss definitions 3 through 8 out the window because they reflect metaphors? Well, yes and no. Yes, because they are not definitions of brands. But no, because these metaphors give us insight into other things that are relevant to branding.

Brands are Like Promises

Brands are not promises, contracts or relationships. But by thinking about how a brand is *like* a promise, contract or relationship, we can identify things we might want to look at or track in our branding strategies.

Things like perceived trustworthiness, fairness or credibility of the marketer, the trustworthiness and fairness of the consumer, the explicitness and clarity of the terms, the extent of agreement by parties with the terms, and the degree of and implications for revocability of the terms, are just a sampling of the kinds of things we can identify if we think of the brand as a contract. Such a perspective enhances our understanding of branding and consumer behavior.

Brands are Like Communicators

A brand is not a communicator, but firms do communicate brand concepts to consumers, and presumably consumers receive and attend to these communications.

Thinking about how a brand is *like a communicator* helps us to identify things like communication speed, accuracy, efficiency, effectiveness, cost, discretion, capacity for two-way communication, and other measurable outcomes.

Brands are Like People or Faces

A brand is not a face or person, but we have described a brand as being *like a face or a person*. That metaphorical relationship between a brand and a person has given us the term "brand personality."

Like people, brands can be sophisticated, rugged, stylish, extroverted and so on. Like faces, brands can have blemishes, can vary in the degree to which they are expressive, the emotions they portray, their attractiveness and so on.

Brands, like people, can be packaged to look good. And like a face, a brand's exterior appearance may belie its internal characteristics (don't judge a book by its cover—or a product by its package).

Like people, brands vary in age, life-stage, country of origin, strength, vulnerability and so on. Like people, brands can come from neurotic families, engage in behavior viewed as inconsistent or schizophrenic, can be controversial, can be powerful, vulnerable, in control and trend-setting—to name a few.

Brands are Like Living Organisms

Brands are not living organisms, but *like living organisms* they are born, they live and they die. They must be fed and must have a constant source of resources and a hospitable environment if they are to thrive.

They can procreate and produce offspring, they can change and mutate over time as they adapt to environmental changes. They can even mutate into things that are self-destructive or provide cancerous effects on their host organism.

Brands are Like Signposts or Constraints

Finally, brands are not constraints or signposts, but they have features that make them *similar to constraints or signposts*.

Brands are like constraints in that they vary in their extension capacity. They are like signs in that they vary in the nature and clarify of their extension direction and the capacity to return to the place of origin if desired.

New Metaphors and New Brand Outcomes

If we think about metaphors for brands beyond those noted above, we can identify even more potentially interesting brand relevant outcomes. Consider, for example, the metaphor between brand and a parent.

A brand is *like a parent* who oversees a child. The parent could, for example, be described in terms of his or her capacity to nurture, protect, discipline or grant independence to the brand extension.

The brand extension, in turn, could be examined in familial terms such as similarity, family resemblance and reputational effects—but also other factors, such as degree of deviance, birth order and rivalry with other extensions.

What's the Bottom Line?

What are the key points to remember? There are four:

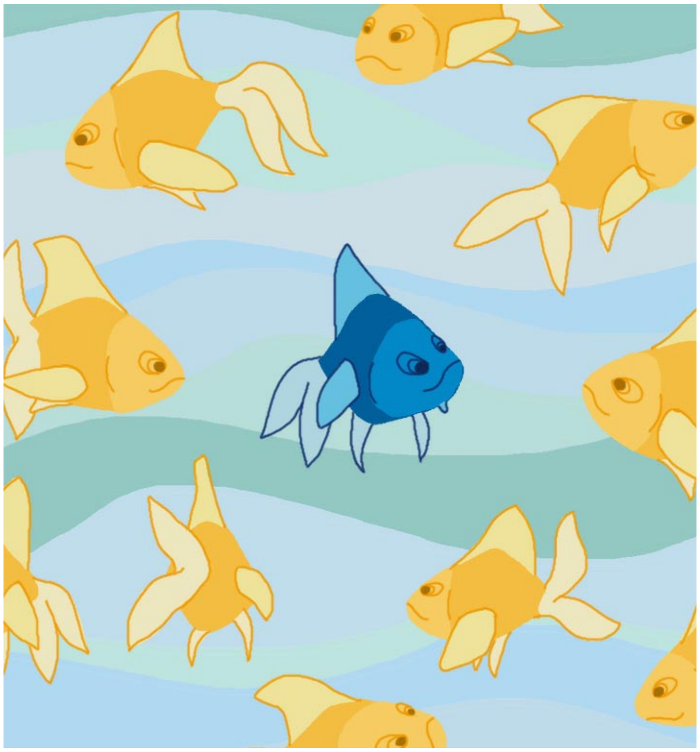
1. Although we know that branding is important, we've got to be more careful about what we mean by various branding terms—including the term "brand" itself.
2. It is important to distinguish the definition of a term from the metaphors used to describe it.
3. While metaphors are not definitions and should not be confused as such, they do provide insights into potentially new (and some old) branding outcomes.
4. By thinking about these metaphorical relationships, we may be able to identify novel metaphors that can help us understand branding even more. ■

Debbie MacInnis is a Professor of Marketing, the President of the Association of Consumer Research, and the associate editor of MarketingProfs.com. She can be reached at djm@MarketingProfs.com.

Ten Ways to Create Brand Value

by **Dan Herman**
November 23, 2004

Consumers love brands because they offer an extra value—that is, one in addition to the core product or service. That value becomes the major motivation for consumers to buy or use the product.



From there, the concept of brand becomes foggy. First of all, what is this value exactly?

We know, for instance, of the ability of a brand to signal belonging to a certain group or status. But there are some who say brands are the objects of love (Saatchi & Saatchi CEO Kevin Roberts) or even religion (Young & Rubicam).

Furthermore, how precisely is this value being added and incorporated into the brand? Advertising professionals say it is advertising. Consumers love the ad—so they'll love the brand. Other marketing experts are suggesting that a consistent and total brand experience is the key.

So what's the secret to a successful brand?

Before I answer that question, let's review three common approaches to brand development used by many marketers—with help from their advertising agencies, consultants, branding companies and design firms.

Although widespread, those approaches are not well founded theoretically; and, in my view, they have not yet yielded truly strong brands. The three approaches are the "decoration" approach, the "gluing" approach, and the "Golem" approach (of Prague, London or New York).

The decoration approach sees differentiation as a matter of appearance. "We branded ourselves," say the practitioners, meaning that a special name, logo and look have been created in a seemingly sophisticated development process. "Since they look different from our competitors', consumers conceive of us as different."

This approach is naive. For more credibility, it is usually spliced with elements from the other two approaches.

The "gluing" approach attaches so-called brand values and other desirable associations to the name, the logo and the look from the previous approach. The rationale goes like this: the consumer sees the values she or he holds dear portrayed in our messages and immediately feels that this is a brand that suits him or her. Enthusiasts of the "emotional branding" approach claim that they attach emotions to the brand in virtually the same manner (e.g., stir or model these target emotions in advertising).

In the third approach, the "Golem" approach, marketers seek to create a human-like entity with personality (even charisma) that is capable of having a relationship with the consumers.

These three approaches lead companies astray and cause them to miss the true potential that lies in brands.

But there is another approach. I find it to be much more fruitful and far better substantiated by current psychological and sociological theory and research.

The basic logic for developing a brand with an added value is amazingly similar to the logic of product development. In both cases, we create for a consumer a tool or means to do something that he or she wants to do.

It's important to understand what "wants to do" is. From my perspective, if the consumer wants to uplift/relax/excite/entertain, strengthen a self-image, fantasize about an alternate reality, or any other psychological usage—that is something he or she "wants to do."

Consumers are purposeful when trying to achieve experiential, emotional, psychological, interpersonal and social goals/benefits,

just as they are when trying to achieve more tangible goals. Brands with added value are usually means for consumers to achieve such goals. They are instrumental, although this is a psychological or a social instrumentality.

A brand without a convincing usage scenario is actually not a brand. It may appear to be a brand. It might have widely recognized name, logo, visual identity and advertising style, but consumers will not desire it because it is useless.

All the rules of successful innovation in the field of products and services also apply to brands. The precondition for success is providing the consumer with something that he or she desires but cannot have today… because it is just too difficult, too complicated, uncomfortable, boring, too expansive and so on.

According to this approach, brands are not human-like and they do not have a life of their own outside the consumer's mind. They are instruments, simply means to achieve ends.

Emotions cannot be glued to them. They arouse emotions when they are perceived as a source of something beneficial. The positive emotions are direct outcomes of these anticipations. Their various symbolizations (name, logo, font, emblem and so on) have little impact on their own; their importance is mainly as identifiers of sources of already attributed and anticipated benefits.

The act of branding has 10 different meanings, which translate into 10 different ways to create instrumentality or usefulness beyond the tangible benefits of a product/service:

1. Creating a Conceived Linkage to a Tangible Benefit

The most basic level of branding is creating a conceived linkage between the brand name and other identifiers and a tangible benefit (a result in the physical world or an experience). That benefit is provided by the product itself or any component of the marketing mix. Don't dismiss this basic tenet. Successful brands, like Pantene shampoo (which promises to amend the six symptoms of unhealthy hair), work at this level. The added value here is minimal, but important.

2. Forming a Mental Context

A "mental context" is a concept or an organizing principle that allows the consumer to connect unrelated facts (such as the various marketing activities of a company) by guiding intent or by some other common factor. In these cases, the main benefit of the brand to its customers originates in the mental context.

For example: should you stumble into a hotel like the "Hudson" or the "Royalton" in the heart of Manhattan, you are promised pleasure on different levels, but if you know you're in a "Boutique Hotel" your stay becomes a very different experience altogether. The Boutique Hotel is a concept that features differences between various hotels in the same chain—sometimes difference between rooms within the same hotel. This mental context drives you to a quest to find the differences.

3. Directing an Experience

This is essentially a hypnotic effect, in some cases related to placebo. The branding here is the creation of an expectation that allows an experience richer than what the product alone can offer. For instance, Red Bull will make the consumer feel a wave of energy beyond the physical effect of the drink.

4. Creating a Means of Self-Presentation

Here the branding creates a symbol with a meaning that is well known to everybody in a relevant group. It enables the consumer to characterize himself and is used by him for inner communication (to gather motivation for an effort or to strengthen self-image), for interpersonal communication (to create a certain impression) and for public communication (to signal status or affiliation). The Absolut vodka brand became a way for yuppies to signal their yuppie-ness to other yuppies (when the yuppie group was developing).

5. Creating a Means to Deliver a Message

The branding role in this approach is to create a symbol of another kind, its meaning widely known as well. That kind of symbol enables the consumer to make a very specific statement and/or express a very specific emotion. The diamond giant De Beers made the diamond a means of expressing commitment, making the physical fact that a diamond is indestructible a metaphor for the relationship. In September 2003, De Beers started creating a new means to deliver a message, this time targeted at women: the right-hand Ring as a symbol of independence (as apposed to the ring on the left hand, which is often a symbol of commitment).

6. Building a Social/Cultural Authority

The next branding approach is the creation of an authority that the consumers can use as a guide. That guide helps them to understand what's happening around them and informs them which behavioral ways are normative, what will make them

happier and so on. Apple proclaimed itself to be such an authority when it offered the personal computer not only as a working tool but also as a device for self-expression and creativity. The brand started a cultural trend of giving a wide variety of means for ordinary people to express their creativity.

7. Creating 'a Long Hand'

The branding creates means for the consumer and empowering him or her to act for noble objectives and high purposes that she can't achieve by herself. The Body Shop made buying a way for contributing to the preservation of the environment and helping people in need all around the globe.

8. Creating an Alter Ego

The brand is a way for the consumer to behave (at least on a fantasy level) in a manner he would like to but doesn't dare, or isn't willing to pay the price for. The provocation of the fashion brand Diesel is made as if "in the name of" the brand customers. They can feel as if they are provocative themselves every time the brand launches one of its outrageous advertising campaigns.

9. Building an Emotional Gym

Opting for our civilized and protected lifestyle, we compromise a lot of our possibilities as humans. We go to the gym to prevent the degeneration of our bodies, which because of our lifestyles don't get to face the challenges they are otherwise capable of confronting. Similarly, we watch movies to exercise emotional skills that aren't legitimate or acceptable in our lifestyles. Brands, like Sicily from Dolce & Gabbana, allow us too to experience such emotional possibilities.

10. Facilitating Fantasies

Similar to the previous one, this branding approach helps the consumer to fantasize an alternative reality. Consumers fantasize about irresistible sex appeal, omnipotence and dominance, importance, success, fatal love, murder and so on. The brand Timberland was designed as a way for consumers to fantasize about courageous adventures against the forces of nature.

Outlined above are the different kinds of added value. They are the ways in which (1) values are instrumental to the consumer and (2) brands can be destined to become means for them.

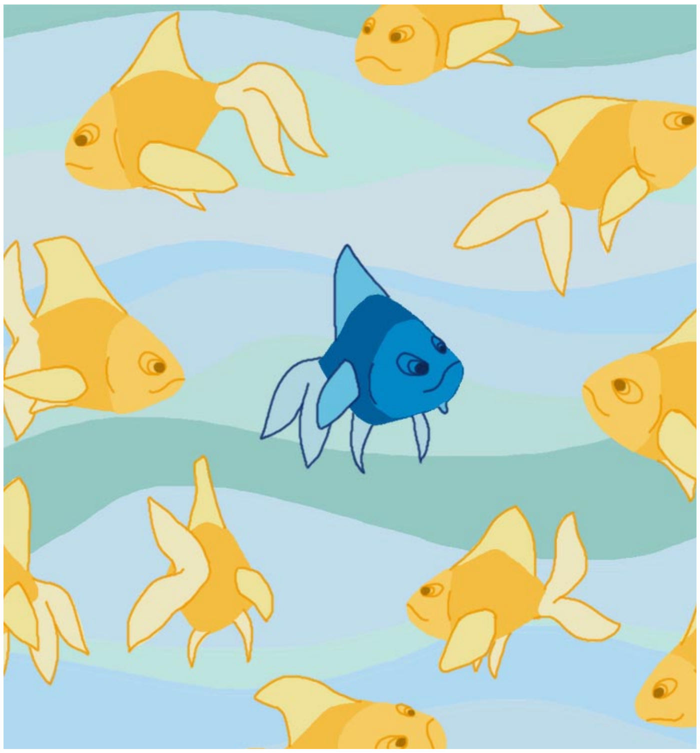
Following those 10 approaches will make the difference between masterful creations of brands and amateur imitation. ■

Dan Herman, PhD, creates Unique Success Formulas for companies and brands. His new book, Just-on-Desire Branding, will be available soon. For more information, visit www.danherman.com.

Strengthening Your Brand Through Affiliations

by **William Arruda**
November 9, 2004

The sign read "We proudly brew Starbucks Coffee." Suddenly, the thought of eating in a cafeteria seemed a bit more, shall I say... palatable. I wasn't even planning on drinking coffee (it was too late in the afternoon for me), but seeing that sign was comforting.



As the owner of this cafeteria knows, linking your brand to another product, service, place or even person can be an excellent way to reinforce or augment your brand attributes.

We are living in a world where everyone, and every company, is becoming more specialized. Avoiding becoming a commodity requires that you be differentiated from your competitors. Differentiation means being known for something, not a hundred things.

Creating brand alliances enables you to continue to benefit from the one thing you do best while also benefiting from the one thing your affiliate does best.

When you have built a brand that excels at what your customers want and have surrounded yourself with other strong brands, you maximize the brand experience while remaining true to your unique promise of value.

Some companies and organizations are excellent at building these valuable connections. This is not co-branding—sharing a product or service with two brand names. It is connecting your brand to another brand to bolster your differentiation, expand your brand attributes or increase your visibility. This advances your brand building and nurturing activities.

Bolster your brand

When your brand is highly differentiated from your peers' or competitors', it is important to fortify that differentiation through all of your brand affiliations. Some companies are exceptional at creating these kinds of reinforcing connections with similar brands.

Hotels seem to be the best at it. Perhaps it's because they have so many opportunities for brand partnerships.

W Hotels, for example, has chosen to join with Aveda, a personal-product company with a modern, clean and natural brand consistent with the design and brand promise of W.

Ritz Carlton is also excellent at making the right connections. The hotel chain promotes the "Key to Luxury" package, which gets you the use of a new Mercedes during your stay. Ritz Carlton had lots of options for luxury automobile brands.

But it chose Mercedes, which underlines its brand attribute of classic luxury. If the new Bulgari design hotels were to launch a similar program, they would probably choose a more modern brand of car, like Lexus, to back up the brand. But the Ritz also missed an opportunity. It chose to make its own line of toiletries rather than connect with a brand that could strengthen its brand position. Ritz Carlton is not known as a luxury toiletries company; it is a luxury hotel that provides the finest service and finest amenities. Hermes bath products in every room would be an excellent way to reinforce the Ritz attributes of luxury and exclusivity.

Sofitel, the luxury hotel brand of the French Accor company, has chosen Roget and Galet bath products. These soaps, gels and

shampoos are quintessentially French. That's a key differentiator for the Sofitel brand—setting it apart from other upscale hotels.

Enhance your brand attributes

Connecting your brand to others can augment your brand attributes as well. And the brand you decide to link to doesn't even have to be a product or company.

L'Oreal decided to associate its brand with one of the world's strongest brands—the city of Paris. L'Oreal is not the high-priced designer hair-care product you'll find at leading salons. But it wanted to separate its products from competitors by adding the brand attributes of style and fashion.

That's why every time you see L'Oreal advertised, you'll see the word Paris—like in the tag line: L'Oreal Paris, Because You're Worth It.

As Nick Wreden reminded us in a previous MarketingProfs article, L'Oreal is no longer just a French brand. It is a global brand. But it chose to highlight its roots (no pun intended) to gain positive brand attributes through its association with Paris.

Yves St Laurent took it one step further. Its association is not with all of Paris but with just the trendy, stylish and creative left bank—hence, Yves St Laurent Rive Gauche.

Increase your visibility

From the actual product association through all forms of marketing and advertising, the connection of two brands helps increase visibility for both.

In the W hotels example, you can see that both brands have increased opportunities for visibility. Aveda benefits from this extra visibility every time someone visits a W Hotel, and even each time anyone visits the W Hotels Web site.

For a while, United Airlines boasted that it brewed Starbucks on board. Would I fly United just for the coffee? Even being the coffee aficionado that I am, probably not. But it does help improve the overall brand experience.

Creating these brand-building alliances is easy as long as the product or organization with which you are linking sees the value in it. And you don't have to be a giant consumer products company to benefit from these types of connections. My little company Reach has found tremendous benefit in linking with companies like Brandego, organizations like the ICF and Web portals like this site!

The key to developing these connections is to decide the criteria up front. When thinking about creating an affiliation like this, ask yourself these questions:

- Do I want the other brand to have the same or different target audience?
- Do I want the other brand to reinforce or augment my brand attributes?
- Which attributes are going to be most visible in this association?
- What areas of my business/offerings are not core to my differentiation?
- What do I have to offer this other company or product in return?
- What companies, products, places or even people come to mind when I think about my answers to the above five questions?

Whether a small business or a giant corporation, think about opportunities for brand affiliations. Ask yourself if there are opportunities to connect your brand with others for mutual benefit. ■

William Arruda, dubbed the "personal branding guru" by the media and clients, works with individuals and organizations to build strong, memorable brands. Combining his 20 years of international branding expertise with his passion for people, he founded Reach (www.reachcc.com), the human branding company. You can reach him at williamarruda@reachcc.com.

Ten Steps to Measuring Web Site Success

by **Jim Sterne**
February 10, 2004

Is your Web site working? How would you know? Clients constantly ask me what they should be measuring, and my answer is always, "It depends."

So for all of you who have wondered the same thing, here is the handy-dandy Sterne How-To Guide for measuring the success of your Web site.

1. Identify Key Stakeholders

Who cares? Inside your company, I mean.

Ensuring the success of the company Web site is not something that belongs exclusively to one job function or title. It's not something that can be forced on somebody. If you want your site to be successful and you want to measure that success, then you'll have to round up the people who are vitally interested.

Perhaps they have an agenda and see the Web as a way to help. Perhaps they are techno-geeks and just love to mess around with whatever is on the leading edge. Maybe they like the distinction of being an Internet person. The people in your company who care about your site enough to complain about it should also be asked to join the team willing to take some responsibility for it.

2. Identify Key Stakeholders' Primary Goals

With the stakeholders listed, cataloged, alphabetized and (with any luck) in the same room, find out what they want. This is a multi-tiered question that involves finding out what they want out of the Web site on behalf of the company, on behalf of their departments and as individuals. Sometimes these conversations even get down to how individuals are compensated.

You'll need to get the comprehensive list of objectives, goals and aspirations for everybody who has a strong enough opinion about the site to come to a steering committee meeting.

But before you start prioritizing those desired outcomes, it's time to shift your attention outward. There's another batch of people whose opinions about your site matter: site visitors.

3. Identify the Most Important Site Visitors

I've had dozens of conversations with corporate executives about who comes to their Web site and which among them are the most important. The answers are all over the map. They talk about the type of visitor that

- Shows up the most often
- Stays the longest
- Looks at the most pages
- Buys the most stuff
- Buys the most frequently
- Spends the most money

Generally, people tend to agree that the most important type of visitor is the type that's the most profitable over some period of time. But your mileage may vary.

4. Identify the Most Important Visitors' Primary Goals

This is really pretty simple: ease of use, speed, selection, price. It's all about the user experience. Can they quickly and easily get want they want?

5. Prioritize Everybody's Goals

Now, you finally have all the cards on the table. You know what everybody wants and can start horse-trading. A great many goals will synchronize, but you'll also find that some people have strong opinions about whether raising revenue is more important than lowering costs, or if improving customer satisfaction is job one.

This is a political ball game. The person who feels the strongest may or may not be sidelined by the person with the most seniority. The person with the biggest budget may or may not be outflanked by the person with the closest ties to executive management. This is the part that always reminds me of why I don't work in a corporate environment and why such places need outside consultants every now and then.

At the end of the scrimmage, you'll end up with a list of priorities that may or may not be the very best, but at least they are identified, discussed and prioritized by one and all in the room. Many of those people will not have their way, but at least they were present during the process and understand why the spinning logo is deemed more important than revenues at the moment.

6. Determine Critical Metrics

Which metrics signal whether you are moving closer to your goals or further away? If the main goal is More Visitors, then a clear definition of how visitors are counted is necessary (cookies? logins? javascript?). If the main goal is revenue, then you'll need to identify the factors that make up the process of getting from awareness to interest to sale. If customer satisfaction is in the mix, then one and all must agree on the methods used to gather satisfaction data and how to weight it.

Again, the accord among the players is more important than the result.

7. Identify the Necessary Technology

With clear goals and metrics in mind, the selection of a Web analytics vendor becomes vastly simpler. You are no longer choosing between an enormous variety of esoteric technologies, but merely asking whether specific data can be captured, collated, correlated and reported—at what cost—and with what flexibility. Flexibility accounts for the fact that you will change your mind in the future about what else you wish to measure.

8. Check References

A robust set of data gathering technologies, a solid financial foundation and a really nice users' group are all well and good, but how does your prospective Web analytics vendor treat their clients? Talk to their references and ask them for the names of other users your vendor might have been reluctant to reveal. Keep asking questions.

9. Distribute Only the Data That Drives Business Decisions

Do not fall back into the briar patch of circulating reports for the sake of spreading the data around. Dole out those reports only to those who need them to make business decisions. Too much data becomes overwhelming and therefore useless.

10. Accountability, Responsibility, Visibility

Liberté, Egalité and Fraternité may have fueled the French Revolution, but the more mundane accountability, responsibility and integrity will determine whether your Web analytics efforts are going to pay off.

Once you have decided what's important and how to measure it, you have to decide what you're going to do about the results, how often you're going to do it and who is going to be responsible.

When the numbers are periodically published, whose work product gets reviewed? When the numbers are going south, who gets the bamboo shoots under the fingernails? When the numbers improve, who gets the Employee of the Month parking space?

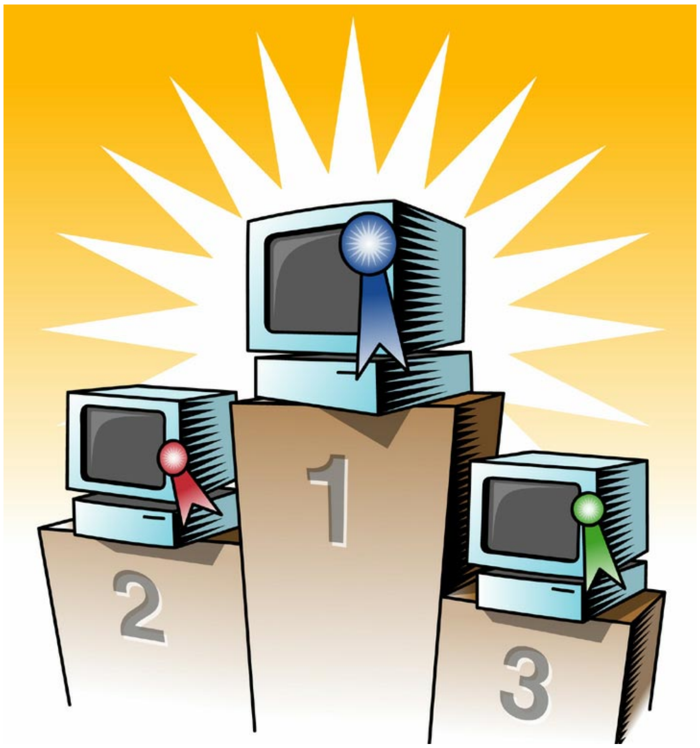
Don't go through all this effort just so you can say, "Yes, we do Web analytics and we have the reports right here to prove it!" Instead, make sure those reports are an integral part of a process of constant improvement. Then you'll know whether your Web site is working or not. ■

Jim Sterne (jsterne@targeting.com) is an internationally known consultant who focuses his 20 years in sales and marketing on measuring the value of a Web site as a medium for creating and strengthening customer relationships.

Internet Marketing Motto: Be Useful

by **Gerry McGovern**
December 7, 2004

E-marketing is about substance over show, logic over emotion, text over graphics. Good Web marketers follow the Google motto: be useful.



Recently, I had a talk with an IT manager from a large organization. I was impressed at how clued in this person was—not about IT, but about Web marketing. He talked about appropriate targeting, about creating content that moved the customer to a point of action.

He knew his stuff. And like many other people in his situation, he complained about the "marketing people" who still didn't get it.

The marketing people who were still enthralled by big graphics and who still think that cutting-edge Web design means using the latest version of Flash. The marketing people who can get excited about search engine optimization and buying keyword ads, but keep forgetting that bringing someone to your Web site is only the first step.

I have asked thousands of people in practically every continent in the world what they do when they see a Flash intro. "Skip Intro!" they all shout without hesitation. About a month ago, in fact, an executive from a Web design company told me a story about a potential client who came to him looking for a "Skip Intro" for his Web site.

If commerce is selling with people, then e-commerce is selling with content, and e-marketing is marketing with content. Content management is about getting the best out of your content. The reason why much content management is still seen as technical is because many marketers and communicators have shied away from embracing it as a core part of their job.

And metadata? No self-respecting marketer would be seen dead near metadata. It is simply not a skill you would put on your resume. Do you know what the title metadata is on the Ryanair homepage? "Ryanair.com—The Low Fares Airline—50% cheaper than easyJet."

(Ryanair is a hugely successful no frills airline, and easyJet is its biggest competitor.)

"What about branding on the Web?" Every time I hear that question, I want to reach for the sick bag.

It's not that I don't believe in branding, but rather that the person who usually wields that question is the last person you should ever let near developing a Web branding strategy for your Web site.

There is a huge role and a very bright future for marketers who truly understand Web content, and know how to use it to drive profitable actions. Unfortunately, many marketers I meet are not rising to the challenge.

Web marketing is a daily grind of doing lots and lots of simple things well. It's about being useful. It's about creating a Web site that is convenient and fast. Amazon.com, eBay, and Google are mega brands that have achieved their positions by having a genuine focus on serving the customer.

The IT manager I wrote about earlier in this piece knows that the Web is not about IT anymore, but rather about marketing. He has thus focused his energies on learning about effective Web marketing.

His reward for doing this is that he is now in charge of the Web site, and can tell all the traditional marketers in his organization what to do. ■

Gerry McGovern (gerry@gerrymcgovern.com) is a content management consultant and author. His latest books are Content Critical and The Web Content Style Guide.

Writing Web Copy That Works

by **Gwyneth Dwyer**
May 18, 2004

Perhaps you're trying to write Web copy for the first time. Perhaps you're not a writer, but you're charged with developing content. Perhaps you're an interactive pro who's wrestling with difficult, disorganized content—and a committee of reviewers.

Take a minute to review these 10 fundamentals of great copy. How does your Web writing stack up?

1. Connect with readers immediately

Speak to their concerns. Answer their questions. Value their time.

After you write a page, step back and ask yourself, "Do my readers care?" If the answer is "not really," rewrite the headline to make them care. Or delete the content. Your readers are bright, impatient, ready to move on.

2. Use the tenets of good persuasive writing

Trying to wrestle content into shape? Force yourself to follow these five tenets. (Remember freshman composition?) Yes, it takes work, but you'll be surprised at the improvement in your copy.

- *Capture attention.* What's the most compelling aspect of your message? Put it first.
- *Hold interest.* Reward your readers with meaningful, need-to-know information.
- *Answer questions.* Figure out the questions readers are asking. Answer them!
- *Overcome objections.* Be persuasive. Provide details. Reassure. You know the objections to whatever it is you're promoting, selling, explaining. Don't avoid addressing them.
- *Compel action.* What do you want your readers to do? Tell them.

3. Write in the first or second person

You know this. But it never hurts to restate it. Speak directly to your readers, as in these examples:

> *You have alumni. You have fundraising needs. How do you get results?*
>
> *What percent of legal research performed by outside counsel is redundant?*
>
> *Why I donate blood*
>
> *What's your opinion? Web site? Or website?*

And, please, avoid that disembodied, disinterested, third-person voice:

> *At our company, it has always been our guiding philosophy to provide our valued customers…*

4. Find an authentic voice

Your company has a personality. Does your Web site? Capture the essence of your organization in your copy. Use an authentic voice that connects with your readers. It can be persuasive, humorous, warm, reassuring, sassy, informed, explanatory….

Figure out what's appropriate—and work hard at communicating it. Your readers will notice.

5. Use an inverted-pyramid style

Put the most important information first, as in a newspaper article. Then progressively disclose detail. Use architecture and links for secondary depth. Remember, the Web is rarely suitable for sustained narrative. Your readers are skimming, skipping, darting. Catch them with multiple, shorter ideas.

6. Write in self-contained, clearly labeled blocks

Put important information in headlines, subheads and short bulleted or numbered lists. Then assume this is the *only* content your readers will read. Have they absorbed what's essential?

7. Write so readers can scan

Write short paragraphs without sacrificing depth of content. (Aim for 30-50 words each.) Make every word count! Distill. Edit. Replace weak verbs and vague nouns. If you don't really know what you're trying to say, neither will your readers.

Group your paragraphs into 200-400-word sections. Tip: Adjust your margins in Word so you can see precisely how long a section will be once it's on a Web page. Too long? Edit or further chunk.

8. Apprehend suspicious sentences

Take responsibility for each of your sentences. You know which ones are confusing. Strip out the adjectives, adverbs, prepositional phrases, and dependent clauses. Examine your remaining subject and verb. What, exactly, have you communicated?

> *Our unique templatized reusable content provides an extensible methodology for communicating key marketing messages consistently and coherently.*

Stripped down, this means: *Our content provides a methodology….* Don't let this kind of writing anywhere near your site! Replace the vague with the concrete, the tangled with the straightforward.

9. Be consistent

Consistency helps readers navigate. Repetition of key terms is fine. Don't use unnecessary synonyms because you're worried about repeating yourself. If, for instance, you're discussing *principles*, don't later call them *rules*. If you're writing about *cosmetic dentistry*, don't refer to it later as *aesthetic dentistry*. You risk confusing, irritating or stalling readers.

10. Finished? Read your copy aloud!

Become the voiceover for your copy. Read it with drama and flair. It should have natural, pleasing cadence.

Did you trip over any words or sentences? If so, rewrite.

Are you adding emphasis where *none* is indicated? Pay attention. You may have buried something important. Rethink the content you are emphasizing as you read aloud. Does it belong in a more prominent position, such as a sidebar, bulleted list or subhead?

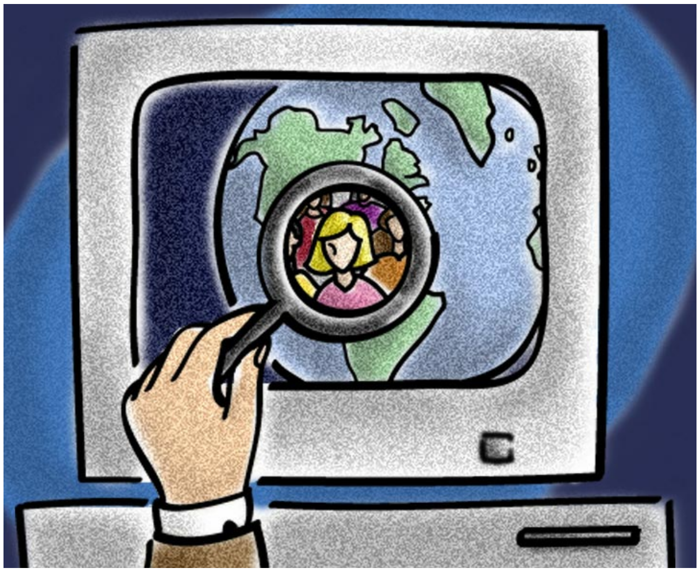
Great interactive writing is easy to read, but often hard to write. Here's a closing thought from a master of words, Winston Churchill: "Had I had longer, it would have been shorter." ■

Gwyneth Dwyer is Director of Writing Services at Larsen Design + Interactive (www.larsen.com), a strategic communications firm with offices in Minneapolis and the San Francisco Bay area.

Ten Site Improvements You Can Make in 30 Minutes (or Less)

by **Wil Reynolds**
August 31, 2004

This article is designed to be a checklist of sorts, allowing you to go through your Web site and give it a checkup; look for potential issues that may affect user experience, conversion rates and liability with site security; and, also, diagnose other issues or problems that you may not have thought about.



Many of these 10 points do not require a major remedy. A few are more difficult to fix, but most can be investigated and rectified by submitting a request to your IT staff or calling your developer.

I suggest you undertake this checkup every six months—maybe on the same day you go to the dentist. Now that would make for a real fun day, no?

1. The "www" prefix.

Although the average person types in the "www" prefix, some lazy people (like me) and many Internet veterans do not. Test your own site. Type your URL into a browser window without the "www" prefix. Does it load? Most sites (probably 98%) do, but you would be shocked at how many sites do not. I was on a major pharmaceutical company Web site (one of about 30 it publishes) and noticed this oversight, which is usually an issue with the domain record—something that is usually easy to fix.

2. Search for yourself.

Type in the three words that you would enter in a search engine to find your company if you did not know it existed. Do not type in the name of the company… type in the name of your services or products. You want to get in the mindset of a user. If you worked for Staples, you might type in "office supplies"; if you worked for Ariba, you might type in "supply chain solutions."

Is your site in the top 10, 20, 30? Beyond? You might need help with search engine optimization. Pay-per-click is an easy start. Research the proper words and pay to be ranked. However, you should not ignore organic search optimization, which helps you rank naturally. Remember that on most search engines the majority of searchers click on the non-paid listings.

3. Check your links.

Procure a link-checking program. There are open source freebies and those that you can pay for; I suggest you go to a search engine and type in "link checker," for example; you'll find a ton. By the way, remember that a link checker may hammer your Web site, thus inflating your page views and other metrics, so make sure you filter them out of your reports.

4. What's your conversion rate?

Do you know, or do you have a rough estimate? It might be time to invest some time in analytics. How do you know if a campaign worked? More traffic does not always mean more sales. Get more exact with your conversion rates to make more scientific, data-influenced decisions about your site and its performance.

5. Question usability.

Ask four friends/family members in your target demographic (make sure that they haven't visited your site before!) to complete the number-one task you want your visitors to perform on the site. Ask them whether they completed the task, and how long it took them. Also ask whether they experienced any frustrations—and if so, where in the process? You may not be able to change the issues, but a functional perspective is invaluable.

6.How does it look?

Download **Firefox**, a popular alternative browser to IE. Also download **Netscape versions 4.7x and 7.x** and then use those browsers to go to your homepage and at least five other pages on your site. Do they work properly? Do they appear as they are designed to?

Call up a friend who owns a Mac and one who uses Linux. How does the site look to them? Users are turning to alternate browsers… slowly, but surely. Is your site ready for them?

Tip: Hitting the "print screen" key on your keyboard (it is usually to the left of the scroll lock key and above the insert key) will capture an image of the screen, open word (or your other word processor) and hit paste (ctrl + p). Have your friends do this (and send the word doc to you as an email attachment) so you can see an image of what your site looked like on their screens.

7. Security blankets.

If your site takes credit cards or asks for sensitive information like a social security number, go to the page where you ask for the credit card (or SSN). Is there any mention of security or privacy policies? Is there an "https://" before the domain in the URL bar?

If there is no "https://" then your credit card page is probably not secure. In the last three months I have stumbled upon several businesses asking for my credit card that did not appear to have a secure certificate. Guess what—I didn't buy from them.

Not having "https://" in the URL of the page where you collect credit card info means that someone can sniff on the connection and steal the credit card number and other transmitted data. Go to your bank's Web site; when you go to login, you'll notice the "https://" at the top and a lock icon at the bottom of the browser window. Why? Because the info you are transmitting must be encrypted (secure) to prevent unauthorized individuals from unencrypting the sensitive data and using it with ill intent. Always look for the lock when transferring sensitive information; if you don't see the lock or "https://" in the URL bar (only on pages that are asking for sensitive info), proceed with caution.

8. Dial up delay?

The next time you are "fortunate" enough to be on a dialup Internet connection, take a few extra moments to load your home page and five other pages. Are you looking at your watch while doing it? You just may need to trim some of the graphics or optimize them for the Web. Set a benchmark. Do you want your site to load in less than 5 seconds? 10 seconds? What do you think your users expect?

Consider your demographics. If you are targeting young to middle-aged males who tend to wait for nothing, you'd better make sure that your site loads—and loads fast! If you are targeting people who are likely to have older PCs and dialup access, you may not want to wow them with a graphics-intensive site, but instead focus on functionality.

9. Link to Adobe for PDFs.

Do you have PDFs on your site? If so, include a link to the Adobe site where the **Adobe Reader** can be downloaded.

10. Offer confirmations.

Fill out the forms on your site (contact form, order form, change of address form, etc.). Do your users get a response to their inboxes confirming that your Web site has received the form successfully? Just a simple "thanks we have your updated info" or "thanks for contacting us, someone will be with you in 24-48 hours" goes a long way in satisfying customer expectations.

Bonus 1: *No more email addresses on the Web site.* Use contact forms instead of email addresses on your site. Using email addresses on your site may open you up to email harvesters that search the Web looking for email addresses. Welcome to SPAM world, this is how spammers get a lot of their email addresses and how you end up with so much SPAM. Find the email addresses on your site and replace them with contact forms. The more SPAM you get, the more likely you are to accidentally delete legitimate emails from customers and clients.

Bonus 2: *Multiple contacts.* Make sure contact forms are sent to at least two people in your organization. If one person is unable to respond, another person in your company remains informed of customer/client inquiries. You don't want clients submitting through forms but not being followed up.

Bonus 3: *Answering emails.* When asking a user for an email address, offer two spots for addresses. It is not uncommon for people to have more than one email address. If you make a second email address optional, you can run an analysis to see if any of those that bounced have a second email address listed. Then you can try to send to the second email address. For some campaigns, this can be the difference between an OK campaign and a stellar one.

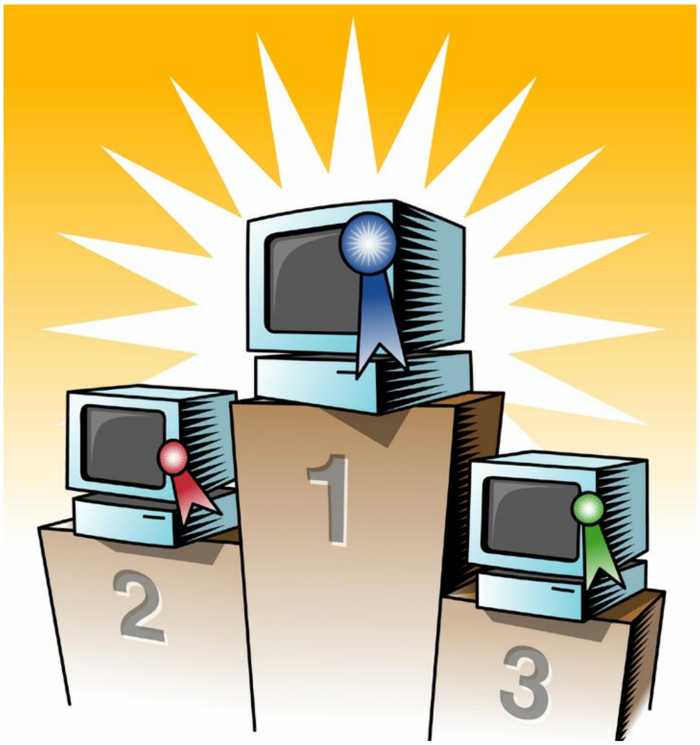
I hope these helped! ■

Wil Reynolds is an associate at SEER Interactive. Reach Wil at www.thinkseer.com.

Ten Rules for Corporate Blogs and Wikis

by **Nick Wreden**
April 13, 2004

The March 15 issue of the AMA *Marketing News*—usually a weekly time capsule of conventional wisdom from a decade ago—had a cover story concerning how agencies and companies are using blogs to promote brands and site visits. But the story was actually a case study in what *not* to do, plus it failed to even mention wikis as an emerging branding tool.



To promote a new flavored-milk product called Raging Cow, Dr Pepper/Seven Up had a "cow" post random comments about a cross-country trip. Although the target audience was 18- to 24-year-olds, the comments appealed more to third-graders.

A sample: "'How would a cow know diddly about the phases of the moon?' Good question, but ever since that whole jumping over the moon incident, we cows and yonder moon have been TIGHT."

So, recognizing that this is an emerging area, here are 10 rules for using blogs and wikis to achieve your branding goals:

1. Be authentic

Brands are about trust, and authenticity is the foundation of trust. Blogs should be written as if close friends were sharing observations over a beer. It's easy to tell when PR or legal vampires have sucked the life out of content. By making up phony posts, Dr Pepper/Seven Up was guilty of "astro-turfing"—creating the perception of a grassroots movement where none exists. To promote Raging Cow, it would have been more effective—and honest—to record the actual observations of a diary farmer or Gen Y-ers on a cross-country trek to find the ultimate milkshake.

2. Be an unmatched resource

Politicians have perfected the art of the "trial balloon." An idea is leaked, and the resultant reaction signals whether it's politically safe to proceed. Use your blog to provide heads-up information unavailable elsewhere, like a forthcoming product or marketing blitz. Any feedback represents invaluable market research.

3. Once you start, don't stop

Blogs are like marriage. Once you start one, you are committed. Otherwise, you risk the wrath of those who link to your blogs or tune in regularly. Dr Pepper/Seven Up pulled the plug on its blog after four months.

4. Keep it relevant

What makes the corporate blogs of Macromedia, Microsoft and others so interesting is that they provide insights about the software and related industry issues such as standards. They don't talk about breakfast menus or the inevitable US deficit disaster. Help ensure relevance with links to other appropriate blogs or Web sites. And be sure to link to your latest press release, article or commercial.

5. Measure your effectiveness

See where you rank on Google, which tends to rank blogs higher than Web sites (in fact, one wit defined a blog as "better location on Google"). Establish an RSS feed and see how many link to you. Keep tabs on your rankings on Daypop, Feedster or Technorati.

6. Monitor other blogs

Most blog entries are just a paragraph or two. You can easily read 200 blogs in an hour. This keeps you in front of the emerging issues in your market and improves your own blog. Link to other blogs, even if they are critical—but be sure to answer their claims in your own blog.

7. Trust your employees

Employees generate the most credible blogs, but there is always the risk of unveiling corporate secrets. Encourage your employees to blog, but set reasonable ground rules. Groove Networks has a good model. Policies should also address how much corporate time employees can spend blogging.

8. Use blogs for knowledge management

Despite its critics, knowledge management (KM) has not been over-promised; rather, vendors have under-delivered. Blogs can address the gap between KM promise and requirements by letting local expertise emerge. Here's a good background on blogs and how Lucent is using them in KM. Other companies using blogs effectively include DaimlerChrysler, Hartford Financial Services Group, IBM and ESPN.

9. Use wikis for employee and customer collaboration

Wikis (based on the Hawaiian word for quick) use open-source principles to transform KM and even the centuries-old relationship between reader and author. Wikis have a link at the bottom of the page that allows anyone to add, change or delete the text. Authoring tools, passwords or permission are not required. (To prevent disasters, older versions of each page are easily restored.) Changes are flagged via RSS alerts.

As a result, wikis represent an ideal medium for collaborative brainstorming. Imagine putting a plan for a new product on a wiki, and have it be modified to precisely reflect the requirements of potential customers! Think wikis can't work? One favorite resource is the *Wikipedia*. It has more than 237,000 informative articles on a wide variety of topics (ranging from Bush to dumpster diving), all with numerous links back to source material. All the articles can be changed by anyone at any time, which means that the great content results from survival of the fittest. The only downside of wikis is that they are text-based, but considering the way many abuse HTML, that is not always bad.

10. Develop an organizational content strategy now

Email, blogs, wikis, Web, voice mail, faxes, newsletters, advertising, PR. No wonder it is so hard for organizations to speak with the consistent voice that is so critical for branding. An organizational content strategy can ensure consistency, vibrancy and value for employees, customers, suppliers and others.

Although it seems like a natural fit, responsibility for an organizational strategy should lie outside the marketing department, lest it be corrupted by "positioning," corporatespeak or other relics of the mass economy.

For other insights, see the *Corporate Weblogger's Manifesto*. ■

Nick Wreden is the author of FusionBranding: How to Forge Your Brand for the Future. Reach him at nick@fusionbrand.com.

Best and Worst Practices in Search Engine Optimization: A Checklist

PART 1 of 2
by **Stephan Spencer**
October 19, 2004

Many consider search engine optimization (SEO)—the process of enhancing your Web site's visibility in the search engines through ways other than paid search ads—a sort of black box. But once the essential features of a search-engine-optimal Web site are laid out in a concise list, SEO is not nearly as mystifying.

That's where this checklist comes in. I've designed it for Web marketers and Web developers so that they can easily understand search engine optimization and start tackling it.

Implementing the 15 best practices below (or at least some of them!) and avoiding the worst practices (as detailed in Part 2 next week) should offer you a straightforward approach to better visibility in search engines, including Google and Yahoo!

Best Practice	Doing it now	Will do it soon	Won't or N/A
1. Are the keywords you are targeting relevant and popular with searchers?			
2. Do your page titles lead with your targeted keywords?			
3. Does your site employ H1 heading tags for content titles?			
4. Is your body copy sufficiently long and keyword-rich?			
5. Does the hyperlink text pointing to various pages within your site include good keywords?			
6. Do you have keyword-rich alt tags for all navigation graphics and all product images?			
7. Do you employ text links from your home page to your most important secondary pages?			
8. Does your Website have a site map with text links?			
9. Do the URLs of your dynamic (database-driven) pages look static?			
10. Does your site have a flat directory structure?			
11. Do your home page and other key pages of your site have high PageRank scores (at least 5 out of 10)?			
12. Is your site listed in Open Directory?			
13. Do your pages have keyword-rich meta descriptions with a compelling call to action?			
14. Does your site have a custom error page?			
15. Do your filenames and directory names include targeted keywords?			

1. Are the keywords that you are targeting not only relevant but also popular with searchers?

There is no point going after high rankings for keywords that no one searches for. Compare relative popularity of keywords using **WordTracker** or **Overture's Search Term Suggestion Tool** before deciding what keywords to employ on your Web pages. One drawback of Overture's tool is that it combines singular and plural forms together, along with popular misspellings, and only displays the aggregate number.

Despite the popularity of individual words, it's best to target two- or three-word phrases. Because of the staggering number of Web pages indexed by the major search engines, competing for a spot on the first or second page of search results on a one-word keyword will be a losing battle. This should go without saying, but the keywords you select should be relevant to your business.

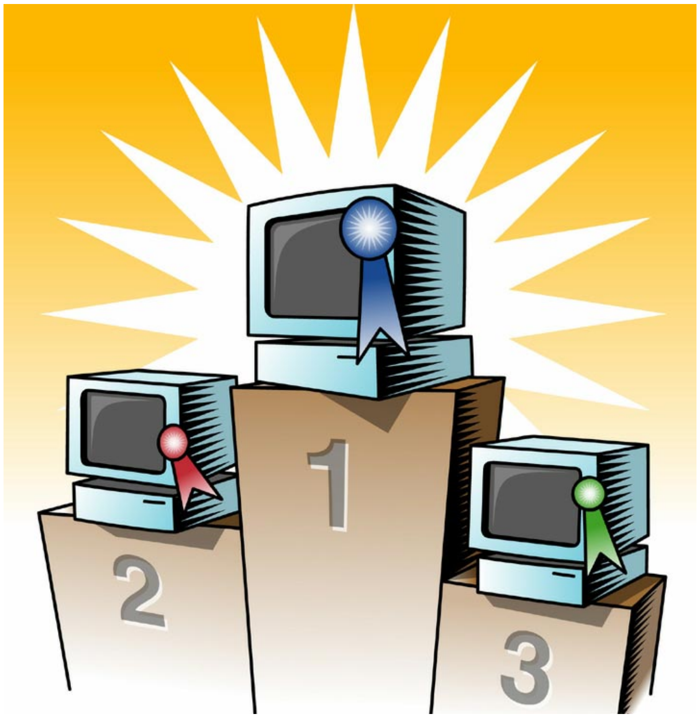
2. Do your page titles lead with your targeted keywords?

The text within your page title (also known as the title tag) is given more weight by the search engines than any other text on the page. The keywords at the beginning of the title tag are given the most weight. Thus, by leading with keywords that you've chosen carefully, you make your page appear more relevant to those keywords in a search.

3. Does your site employ H1 heading tags for content titles?

In HTML, there are six heading tags, H1 through H6. The search engines consider H1 tags to be much more important than the rest of the body copy. Text within an H1 tag gets more weight than text within an H2 tag, which gets more weight than text within an H3 tag, and so on.

Some Web developers believe that H1 tags "look ugly"—big, bold text that sticks out like a sore thumb. That doesn't have to be the



case. The H1 tag's font, size, color and amount of surrounding white space can all be defined using style sheets.

4. Is your body copy sufficiently long and keyword rich?

Ideally, incorporate at least 200 to 250 words on each page so the search engines have enough "meat" to determine the theme of the page. Include relevant keywords, particularly near the top of the HTML, as they will be weighted more heavily by the search engines. Be careful not to go overboard, to the point that your copy doesn't read well.

5. Does the hyperlink text pointing to various pages within your site include good keywords?

Google associates the anchor text in the hyperlink as highly relevant to the page being linked to. So, use good keywords in the link text to help Google better ascertain the theme of the page you are linking to. Keep the link text relatively succinct and tightly focused on just one keyword or key phrase. The longer the link text, the more diluted the overall theme conveyed to Google.

6. Do you have keyword-rich alt tags for all navigation graphics and all product images?

An alt tag is the text that appears in a small box when you hover your cursor over an image. Alt tags should contain relevant keywords that convey the key information from the image that the user would not receive if she had image loading turned off.

7. Do you employ text links from your home page to your most important secondary pages?

Text links are, by far, the better option (versus alt tags) in conveying to Google the context of the page being linked to. Alt tags may have an effect, but it's small in comparison with that of text links. If you have graphical navigation buttons, switch them to keyword-rich text links; if that's not an option, at least include text link navigation repeated elsewhere on the page, such as in the footer.

8. Does your web site have a site map with text links?

A site map is good "spider food" in that it provides the search engine spiders (i.e., the search engine's computers that periodically explore your Web site) with a number of links to key pages to explore and index. Use text links, since they are more search engine optimal than graphical links, as already mentioned. Bear in mind that about 100 links per page is the maximum you should put on a page, according to Google.

9. Do the URLs of your dynamic (database-driven) pages look static?

Pages with URLs that contain question marks, ampersands, or equal signs don't have as good a chance of getting indexed by the search engines. Either install a server module/plug-in that allows you to "rewrite" your links, or recode your site to embed your variables in the path info instead of the query string; or, if you need to minimize resource requirements by your IT team, you can enlist a "proxy serving" solution such as **GravityStream.**

10. Does your site have a flat directory structure?

The deeper in your site you hide key content, the less likely search engines are to find it. Some search engine spiders won't go deeper than a certain number of subdirectories. A flat directory structure (where you minimize the number of slashes in the URL) helps ensure more pages of your site get indexed.

11. Do your home page and other key pages of your site have high PageRank scores (at least 5 out of 10)?

PageRank is Google's way of quantifying the importance of a Web page, and it's a key criterion for ranking pages. In very rough

terms, PageRank is based on the page's "link popularity" (i.e., the number of links pointing to a given Web page), but with a crucial twist: links from more important (i.e., higher PageRank-endowed) pages are weighted more heavily.

That weighted "vote" gets divvied up among all the links on the page. Check PageRank scores using the Google toolbar, a free add-on to Microsoft Internet Explorer, available for download. Mouse over the toolbar's PageRank meter to display the numerical rating, an integer value between 1 and 10.

Note that PageRank is on a logarithmic scale; meaning that integer increments are not evenly spaced. Thus, garnering more links and gaining in PageRank score from 3 to 4 is easy, but from 6 to 7 is a lot harder.

A PageRank score for your home page of 7 or 8 is a laudable goal. PageRank is then passed on from your home page (which is typically the highest PageRank-endowed page on your site) to your internal pages through your site's hierarchical linking structure. Yahoo's importance-scoring equivalent to PageRank is called Yahoo! Web Rank.

12. Is your site listed in Open Directory?

If you aren't already listed in the **Open Directory** Web site, you should identify the category most relevant to your business and submit your site. A listing in Open Directory also ensures a listing in **Google Directory** and numerous other directories powered by Open Directory. Links from authoritative sites such as Google Directory improve your PageRank importance score and, thus, your rankings; they also drive visitor traffic directly from those directories.

13. Do your pages have keyword-rich meta descriptions with a compelling call to action?

A meta tag is hidden information tucked away in the HTML of a Web page for the purpose of providing search engine spiders meta-information about that page. One such piece of meta-information is a description of the page (e.g., its content and its purpose), known as a meta description.

Although defining a meta description will not improve your rankings, it is useful from the standpoint of influencing what text appears within your listing in the search results, in order to better persuade the user to click through to your site.

Yahoo will frequently employ the meta description as the description in your search results listing. MSN, in its upcoming new version of its search engine (**MSN Technology Preview**), is also displaying the meta descriptions in the search listings. Google may incorporate some of your meta description in to the snippet displayed in your search listing if keywords that the user searched on are present in that meta description.

14. Does your site have a custom error page?

Don't greet users with the default "File not found" error page when they click through from a search engine results page to a page on your site that no longer exists. Offer a custom error page instead, with your logo and branding, navigation, site map, and search box. No matter what the reason for the page's unavailability (e.g., discontinued product, site redesign, file renamed), you shouldn't be driving visitors away with an ugly error page that doesn't provide a path to your home page and other key areas of your site.

15. Do your filenames and directory names include targeted keywords?

This is a contentious issue among search engine experts. But if it's easy to do, why not? Separate keywords with hyphens, not with underscores. Don't put more than two or three keywords into a filename or directory name, as it could look spammy to the search engines.

A Final Word

If you've read this article and thought, "Hmm, that was interesting, but I didn't actually tic any marks on the above checklist," then you have extracted only a fraction of the checklist's value. The simple action of printing out the checklist and checking the appropriate boxes one by one is the first step to doing things differently. Remember: if you always do what you've always done, you'll always get what you've always gotten.

Next week, we cover an even longer checklist, this time of worst practices that have the power to potentially sabotage your site's ability to rank well in the search engines. See you then! ■

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Best and Worst Practices in Search Engine Optimization: A Checklist

PART 2 of 2
by **Stephan Spencer**
October 26, 2004

Partially indexed, poorly ranked, penalized and possibly banned: such is the unpleasant fate of a Web site that's not duly optimized for the search engines. Even if you mastered all 15 best practices outlined in the *first part* of this series, your site may not be safe.

The mission of search engines is to supply their visitors with relevant results, so penalizing or banning sites that appear to interfere with that mission is a necessity. Understanding which practices adversely impact your search engine rankings is a prerequisite to a well-optimized site.

Whether inadvertent or not, any of the following worst practices could doom your site to suboptimal traffic levels. Here are 28 critical "must nots" in SEO:

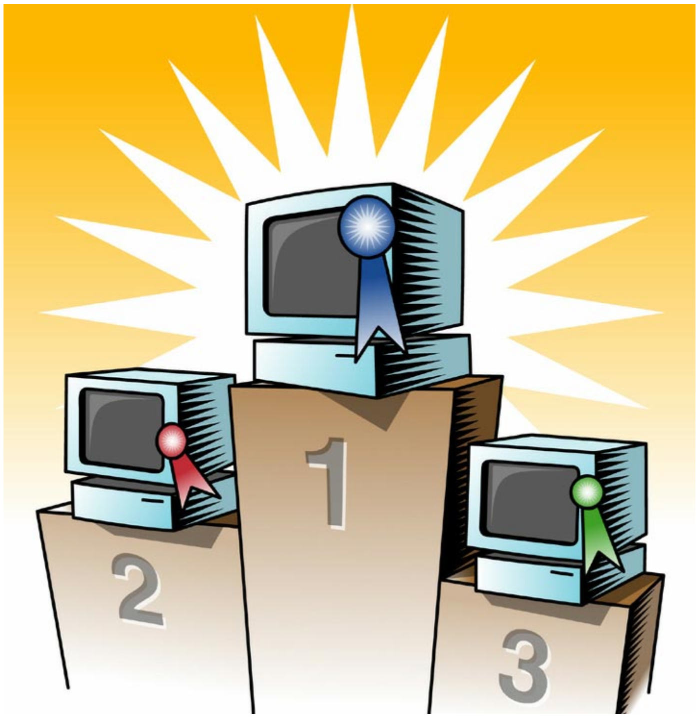
Worst Practice	N/A	Will stop	Won't stop
1. Do you use dropdown boxes for navigation?			
2. Does your primary navigation require Flash, Java or Javascript to function?			
3. Is your Website done in Flash, or overly graphical with very little textual content?			
4. Is your home page a "splash page" or otherwise content-less?			
5. Does your site employ frames?			
6. Do the URLs of your pages include "cgi-bin" or numerous ampersands?			
7. Do the URLs of your pages include session IDs or user IDs?			
8. Do you spread your site across multiple domains?			
9. Are your title tags the same on all pages?			
10. Do you have pop-ups on your site?			
11. Do you have error pages in the search results ("session expired", etc.)?			
12. Does your File Not Found error page return a 200 status code?			
13. Do you use "click here" or other superfluous copy for your hyperlink text?			
14. Do you have superfluous text like "welcome to" at the beginning of your title tags?			
15. Do you employ auto-redirects?			
16. Do you have any hidden or small text meant only for the search engines?			
17. Do you engage in "keyword stuffing"?			
18. Do you have pages targeted to obviously irrelevant keywords?			
19. Are you doing automated submitting, resubmitting or deep submitting?			
20. Do you incorporate your competitors' brand names in your meta tags?			
21. Do you have duplicate pages with minimal or no changes?			
22. Does your content read like "Spamglish"?			
23. Do you have "doorway pages" on your site?			
24. Do you have machine-generated pages on your site?			
25. Are you "pagejacking"?			
26. Are you "cloaking"?			
27. Are you submitting to FFA ("free for all") links pages and link farms?			
28. Are you buying expired domains with high PageRank scores to use as link targets?			

1. Do you use dropdown boxes for navigation?

Search engine spiders can't fill out forms, even short ones with just one dropdown. Thus, they can't get to the pages that follow. If you're using dropdowns, make sure there is an alternate means of navigating to those pages that the spiders can use.

2. Does your primary navigation require Flash, Java or Javascript?

If you expect search engine spiders to execute Flash, Java or Javascript code in order to access links to further pages within your site, you'll usually be disappointed with the results. Some search engines have a limited ability to deal with Flash and Javascript. But, nonetheless, it's not search engine friendly way to go.



3. Is your site done in Flash or overly graphical with very little textual content?

Text is always better than graphics or Flash for search engine rankings. Page titles and section headings should be text, not graphics. Page content should not be embedded within Flash files.

4. Is your home page a "splash page" or otherwise content-less?

With most Web sites, the home page is weighted by the search engines as the most important page on the site (i.e., given the highest PageRank score). Thus, having no keyword-rich content on your home page is a missed opportunity.

5. Does your site employ frames?

Search engines have problems crawling sites that use frames (i.e., where part of the page moves when you scroll but other parts stay stationary). Google advises not using frames: "Frames tend to cause problems with search engines, bookmarks, emailing links and so on, because frames don't fit the conceptual model of the Web (every page corresponds to a single URL)."

Furthermore, if a frame does get indexed, searchers clicking through to it from search results will often find an "orphaned page": a frame without the content it framed, or content without the associated navigation links in the frame it was intended to display with. Often, they will simply find an error page.

6. Do the URLs of your pages include "cgi-bin" or numerous ampersands?

As discussed last week, search engines are leery of dynamically generated pages. That's because they can lead the search spider into an infinite loop called a "spider trap." Certain characters (question marks, ampersands, equal signs) and "cgi-bin" in the URL are sure tip-offs to the search engines that the page is dynamic.

Worse yet, if the URLs have long, overly complex "query strings" (the part of the URL after the question mark), with a number of ampersands (which signify that there are multiple variables in the query string), then your page is not likely to get included in the search engine's index.

7. Do the URLs of your pages include session IDs or user IDs?

If your answer to this question is yes, then consider this: search engine spiders like Googlebot don't support cookies, and thus Googlebot will be assigned a new session ID or user ID on each page on your site that it visits. This is the proverbial "spider trap" waiting to happen, so search engine spiders are likely to skip over these pages. If such pages do get indexed, there will be multiple copies of the same pages each taking a share of the PageRank score, resulting in PageRank dilution and lowered rankings.

If you're not quite clear on why your PageRank scores will be diluted, think of it this way: Googlebot will find minimal links pointing to the exact version of a page with a particular session ID in its URL.

8. Do you spread your site across multiple domains?

This is typically done for load balancing purposes. For example, the links on the JCPenney.com home page point off to www2.jcpenney.com, or www3.jcpenney.com, or www4.jcpenney.com and so on, depending on which server is the least busy. This dilutes PageRank score in a way similar to how session IDs in the URL dilute PageRank.

9. Are your title tags the same on all pages?

Far too many Web sites use a single title tag for the entire site. If your site falls into that group, you're missing out on a lot of search engine traffic. Each page of your site should "sing" for one or several unique keyword themes. That "singing" is stifled when the page's title tag doesn't incorporate the particular keyword being targeted.

10. Do you have pop-ups on your site?

Most search engines don't index Javascript-based pop-ups, so the content within the pop-up will not get indexed. If that's not good enough reason to stop using pop-ups, you should know that people hate them—with a passion. Also consider that untold millions of users have pop-up blockers installed. (The Google Toolbar and Yahoo Companion toolbar are pop-up blockers, too, in case you didn't know.)

11. Do you have error pages in the search results ("session expired," etc.)?

First impressions count . . . a lot! So make sure search engine users aren't seeing error messages in your search listings. Hotmail.com takes the cake in this regard, with a Google listing for its home page that begins: "Sign-In Access Error." Not exactly a useful, compelling or brand-building search result for the user to see. Check to see if you have any error pages by querying Google and Yahoo! for site:www.yourcompanyurl.com. Eliminate error pages from the search engine's index with a meta robot tag no-index tag.

12. Does your file not found error page return a 200 status code?

This is a corollary to the tip immediately above. Before the content of a page is served up by your Web server, a HTTP header is sent, which includes a status code. A status code of 200 is what's usually sent, meaning that the page is "OK." A status code of 404 means that the requested URL was not found. Obviously, a file not found error page should return a 404 status code, not a 200. You can verify whether this is the case using the **Server Header Checker** and then into the form input a bogus URL at your domain, such as http://www.yourcompanyurl.com/blahblah.

13. Do you use "click here" or other superfluous copy for your hyperlink text?

Wanting to rank tops for the words "click here," eh? Try some more relevant keywords instead. Remember, Google associates the link text with the page you are linking to, so make that link text count.

14. Do you have superfluous text like "welcome to" at the beginning of your title tags?

15. Do you employ auto-redirects?

A redirect (where the URL changes automatically while the page is still loading) can cause a page to not get indexed or its PageRank to dissipate—particularly if the redirect is temporary (status code of 302) rather than permanent (301). Temporary redirects don't pass PageRank, and links that go through a click-through tracker first tend to use temporary redirects. Don't redirect visitors when they first enter your site at the home page; but if you must, at least employ a 301 redirect. Especially don't redirect visitors immediately as they enter your site from a search engine, as that is deemed a "sneaky redirect" and can get you penalized or banned.

16. Do you have any hidden or small text meant only for the search engines?

It may be tempting to obscure your keywords from visitors by using tiny text that is too small for humans to see, or as text that is the same color as the page background. Google and Yahoo! are on to that trick.

17. Do you engage in "keyword stuffing"?

Putting the same keyword everywhere, such as in every alt tag, is just asking for trouble. Don't go overboard with repeating keywords or adding a meta keywords tag that's hundreds of words long. Google warns not to hide keywords in places that aren't rendered, such as comment tags. A good rule of thumb to operate under: if you'd feel uncomfortable showing to a Google employee what you're doing, you shouldn't be doing it.

18. Do you have pages targeted to obviously irrelevant keywords?

Just because "britney spears" is a popular search term doesn't mean it's right for you to be targeting it. Relevancy is the name of the game. Why would you want to be number one for "britney spears," anyway?

19. Are you doing automated submitting, resubmitting or deep submitting?

In other words, are you simultaneously submitting multiple pages deep within your site? If you're going to submit your site to a search engine, search for your site first to make sure it's not already in the search engine's index and only submit it manually if it's not in the index. Most sites submitted to search engines are spam. It would be easy to assume that your site is spam, too.

20. Do you incorporate your competitors' brand names in your meta tags?

Unless you have their express permission, this is a good way to end up at the wrong end of a lawsuit.

21. Do you have duplicate pages with minimal or no changes?

Although you might like occupying multiple spots in the search results, the search engines don't appreciate duplicate pages clogging up their indices. Be forewarned: the engines can spot offenders very easily.

22. Does your content read like "Spamglish"?

Crafting pages filled with nonsensical, keyword-rich gibberish is a great way to get penalized or banned by search engines.

23. Do you have "doorway pages" on your site?

Doorway pages are pages designed solely for search engines that aren't useful or interesting to human visitors. Doorway pages typically aren't linked to much from other sites or much from your own site. The search engines strongly discourage the use of this tactic, quite understandably.

24. Do you have machine-generated pages on your site?

Such pages are usually devoid of meaningful content. WebPosition Gold can churn out keyword-rich doorway pages for you, automatically. Yuck! Don't use it; the search engines can spot such doorway pages.

25. Are you "pagejacking"?

"Pagejacking" refers to hijacking or stealing high-ranking pages from other sites and placing them on your site with few or no changes. Often, this tactic is combined with cloaking so as to hide the victimized site's content from search engine users. This is a big no-no! Not only is it very unethical, it's illegal; and the consequences can be severe.

26. Are you "cloaking"?

"Cloaking" is the tactic of detecting search engine spiders when they visit and varying the HTML code specifically for the spiders in order to improve rankings. This is only acceptable in a very limited use: namely, as a way of simplifying search engine unfriendly links. If you are in any way selectively modifying the page content, this is nothing less than a bait-and-switch. Search engines have undercover spiders that masquerade as regular visitors to detect such unscrupulous behavior.

27. Are you submitting to FFA ("free for all") links pages and link farms?

Search engines don't think highly of link farms and such, and may penalize you or ban you for participating on them.

28. Are you buying expired domains with high Pagerank scores to use as link targets?

Google underwent a major algorithm change a while back to thwart this tactic. Now, when domains expire, their PageRank scores are reset to 0, regardless of how many links point to the site.

If you adhere to the advice laid out for you above, you'll be well on your way to a "best practice," search-engine-optimal Web site. Go astray, and your rankings and perhaps even your reputation with the search engines could suffer. I wish you luck with your optimization efforts! ■

Stephan Spencer (www.stephanspencer.com) is president of the search engine specialist Web agency Netconcepts (www.netconcepts.com), which he founded 10 years ago. He is also a frequent speaker on Internet marketing-related topics for organizations such as the DMA and AMA, Internet World, and IIR. He is a Senior Contributor for MarketingProfs.com and has contributed to magazines such as Catalog Age, Unlimited, Building Online Business, and NZ Marketing.

What to Look for in an Email Services Provider

PART 1 of 2
by **Paul A. Broni**
September 14, 2004

I recently saw an ad for a self-service email marketing solution that went something like this:

> *Q. Can anyone tell me what I get for email campaign setup fees?*
> *A. We couldn't begin to tell you because we don't charge any.*

The underlying message of the ad is that all campaign setup fees are a waste of money. But this is just not true. Many organizations struggle with time and resource issues, and others just want to ensure that their campaigns are professionally executed from day one.

Having said that, it's important to ensure that you get your money's worth when hiring an email services provider (ESP). In this first part of a two-part article, I'll discuss some of the more important services that you should receive.

Quality Control of List

- **Unsubscribes.** If you submit a list for use in the mailing, your ESP should run that list against the unsubscribe file. Apart from being a good business practice, it's important in terms of CAN-SPAM compliance.

- **Soft bounces.** Similarly, your ESP should ensure that you don't attempt to send mail to addresses for which you've received a number of soft bounces. (Soft bounces occur for a number of reasons. Some of the most common are these: the domain exists, but the email address is invalid; the mailbox is full; or the receiving server was down or busy.)

  A high bounce rate often indicates a list in need of maintenance. Also, and perhaps more importantly, if major ISPs and Web-based email services see that you're repeatedly attempting to send email to bad addresses, you might end up getting blacklisted altogether.

- **Seed list.** This is easy to overlook. But the ESP should ask if there are any people at your company (who might not already be on the list) who need to see the campaign when it goes "live." The ESP should then add these email addresses to the seed list.

Quality Control of Outbound Content

- **Review grammar, spelling.** Even if your ESP does not generate your content, a second set of eyes is always nice. Your service provider should be genuinely concerned with helping you put your best foot forward.

- **Review content for filters, CAN-SPAM.** Your ESP should run your creative files through a content checker to ensure that they are unlikely to trip common spam filters. When problems arise, suggestions for copy changes should be offered. Also, a quick review ensuring that you have a functional unsubscribe option and a complete snail-mail address should be part of this process.

- **Weight, size, other specs.** Among other things, your ESP should ensure that your HTML file does not "weigh" more than about 25K to 30K, and that the file is not wider than practical, usually about 600 pixels. In addition, the HTML file should be a combination of images and text as opposed to one giant image (which, incredibly, I have often seen used).

- **Image weight, location.** Your service provider should either host images for you or ensure that your images are hosted correctly on your server (and that the HTML code is accurate). In addition, the ESP should check to see whether the images have been optimized for fast loading.

- **TEXT version.** Despite the availability of tools that claim to automate this process, you or your ESP should manually prepare the TEXT version of your message. The TEXT version should have no more than 60 to 65 fixed-width characters on each line, followed by a hard return.

  There should also be a decent amount of white space to increase readability, and all hyperlinks should exist on unique lines with hard returns before and after the links.

- **Creation, hosting of Web version.** Your ESP should generate a Web-based version of your email communication, then include a link to that version in both the HTML and TEXT versions. Either you or your service provider can host this version—whichever is easier for you.

- **Link tracking, testing.** In addition to setting up link tracking, your ESP should assign "friendly" names to each link so that reporting will be easier to interpret. Also, each link should be checked prior to testing to ensure that it is functional and that the target is correct.

- **Internal test.** Given the concerns that email marketers have with deliverability, filters and spam issues, the internal testing process is more important than ever. Your ESP should have a protocol established to send tests to major ISPs and Web-based email services to ensure not only that the mail is delivered but also that it is not routed to a junk-mail folder.

  Your ESP should also include test email addresses using different software (such as Eudora, Lotus Notes, Outlook, and Outlook Express) to ensure that the message renders correctly and is not routed to a spam folder.

- External test. The time that your ESP actually deploys your message should not be the first time that you see it "live." Rather, there should be an external test cycle with appropriate seed names from your organization so that approval can be given to deploy the mailing as instructed.

And with that, your email campaign should be ready to deploy.

Next week, in the second part, we'll actually hit the send button. ■

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What to Look for in an Email Services Provider

PART 2 of 2

by **Paul A. Broni**

September 21, 2004

Last week, I wrote about the pre-deployment tasks that an email services provider (ESP) should include when you outsource your email marketing effort. This week, I'll cover what happens when the campaign goes live.

And now, we hit the send button….

Then Monitor, Answer, Handle

Once you hit the "send" button, there's not much you can do if you find a mistake. However, just because the mailing has been sent doesn't mean the job is finished. Far from it!

- **Monitor deployment.** Your ESP should watch the progress of your mailing, verifying before the scheduled send time that the mail is in the queue for deployment. Once the deployment begins, progress should be monitored. You don't want to find out at 6 p.m. that a mailing scheduled for 10 a.m. has yet to leave the server.
- **Answer "challenge" messages.** With the advent of "challenge-response" solutions, a meaningful percentage of your mail will go undelivered (some say as much as 10%) unless someone handles these responses very soon after the mailing goes out. Your ESP should offer this service.
- **Handle responses.** Your email will generate some automatic as well as manual replies. These replies will vary in content—from "I'm out of the office" to "Please remove me from your list" to "Have a sales rep call me" to "Die, spammer, die!"

Your ESP should have an established protocol for handling response management so that you see only those replies that require your direct involvement.

When the Dust Has Settled

When the mail has been sent and most of the responses have been generated, it's time to for post-deployment reporting and analysis.

You'll look to your ESP to give you basic metrics such as deliverability, open, click-through, unsubscribe, and possibly even conversion rates. If you're stopping your review at these one-time numbers, however, you're not getting a complete picture:

- **Look at the trends.** More important than the individual campaign's results are the trends. Are open and click-through rates holding steady? Decreasing? If dropping off, you need to scratch beneath the surface and try to figure out why, and your ESP should facilitate that effort. The same goes for bounce rates and unsubscribe rates.
- **Lessons learned.** With each campaign, try to learn at least one or two lessons that you can take with you on the next effort. Did you do any subject line testing? What were the results? Which article generated the highest click-through on your newsletter? Your ESP should provide you with this feedback and come up with ideas to make your next deployment even more successful.
- **Domain analysis.** Your ESP should look at the top 10 or 20 domains to which you send mail, ensuring that your mail is being delivered. Also, less popular domains that might represent important customers should be reviewed. You do not want to find out six months after the fact that mail to one of your biggest customers has been blocked.
- **Filter resolution.** If not all of your mail is getting through, it is the ESP's job to work diligently on clearing the matter up. Many corporate email system administrators are receptive to brief, personalized, truthful explanations as to why incoming mail should not be blocked.
- **List maintenance.** Finally, as part of the care and feeding of your email list, your ESP should provide you not only with an unsubscribe file but also with ideas about how to build up your list by obtaining accurate information for names where inaccurate information currently exists.

Although there's little you can do to win back an unsubscribe request, there will come a time when you should visit your bounce file and see what data can be reclaimed.

As you can see, there's a lot more to setting up, testing, and deploying an email campaign than uploading a couple of files and hitting the "send" button.

Keep in mind, also, that some ESPs do even more than what I've outlined, and others do less. I've seen pricing for this service as low as $55 and as high as $1,000-plus, so it's safe to say there is a wide range of services and capabilities.

Choose wisely! ■

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Marketing Is Listening

by **Michael Fischler**
June 15, 2004

Consider the job of marketing. Its purpose is to understand the marketplace. That plays itself out in all manner of ways—from segmentation to trade show posters to lead generation.

But, at its core, it's all about the same thing: understanding the marketplaces and letting them know that you understand them.

In other words, marketing is about listening.

Sales, on the other hand, is all about you and your products and services. Telling people what you offer, how they can buy it, what it costs. That, too, plays itself out in multiple ways—from proposals to catalogs to point-of-sales (POS) promotions.

But at its core it's all about the same thing: understanding your products and communicating information about those products to potential customers.

In other words, sales is about talking.

And sales can't begin until you've listened, and until the marketplace believes that you understand what they need. You have to listen first, and talk later.

This is one of my personal touchstones for determining whether I'm doing an effective job of marketing for my clients. A guidepost for every facet of my marketing planning and execution:

Am I listening, or am I talking?

A Guiding Principle

When we market, we are listening to the marketplace—not, as I've said before, listening to what they want, but listening to them explain what they do (and ,of course, observing them) . That is what research is all about, isn't it? Listening.

It's also what positioning is all about—finding an anchor for ourselves in the marketplace based on what we've learned by listening. It's what segmentation, and pricing, and channel development are all about—creating strategic structures that address what we've learned by listening to the marketplace, and which resonate with that marketplace because they are relevant to them.

That is, just as critically, what collateral and advertising and trade show signage and all our tactics are all about too: letting the marketplace know that we've heard—and understand—what they have to say and what they do.

As soon as we veer from that principle—as soon as we start talking about us and our products instead of listening and repeating what we've heard—we're no longer marketing, we're selling.

There's nothing wrong with selling. You need to sell to generate revenue—listening doesn't turn inventory. But before you can begin to sell, you must convince your marketplaces that you understand them. Only then will they start listening to you.

Only then will the marketplace give you permission to begin selling.

This is how people behave, and how markets behave. They give you permission to sell, but they give it to you only after you've convinced them that you understand their needs, their behaviors, their situations. And convincing them is our job—convincing them that we have listened and heard and understand is the job of marketing.

(Anyone who's ever started a sales pitch without permission knows this. They've seen the eyes glaze over, the watches checked, the fingers start drumming the tabletops.)

Are You Listening, or Talking?

Consider both your strategic and tactical marketing. Does your positioning statement, your vision-mission-values declaration,

your segmentation—your entire strategic foundation—reflect what you've learned by listening to the marketplace? Or does it reflect what you want the marketplace to learn about you?

What about your collateral and advertising? When you do talk to the marketplace, are you talking about what you've learned about them through listening, or are you talking about you?

(Equally important, are you talking in their language, or in some product-centric babble, using words and phrases that would never come out of their minds or mouths?)

Here, we marketers can learn a ton from our first cousins in sales. They know this, and do this, almost instinctively. The best sales training programs and books teach this, without perhaps knowing it.

Consider one such sales approach—and the one I prefer—called SPIN Selling. SPIN is an acronym, the first letter of which stands for "Situation." Its point is simple—the first phase of sales is about learning the potential customer's situation. It's about asking questions. Listening to the answers. And repeating what you've heard to make sure you've heard it correctly.

That phase of sales is really marketing.

Only when the customer gives permission—"so, does your product do this or that?"—does selling begin. And that permission is given and revoked many times before a sale is actually made.

Good sales reps know this, are sensitive to it, and will often stop pitching product when they sense that the permission to sell has been revoked, that the prospects want to talk more about their situation. When that happens, they stop talking and start listening again. They stop selling and start marketing once more.

Customers Care About One Thing—Themselves

Let's face it. Your customers don't care about you. Customers are, and should be, selfish and self-centered. They care about themselves, and they will let you into their lives only if they think you care about them too.

Beat your quality-product chest all you want: it will just put them to sleep. Strafe them with feature bullet points: they'll just get up and walk away. Point out every wire and solder point of your fine, fine machine—they'll only thank you and walk to the next vendor's equipment. And they'll keep walking until they find some who has listened.

But, use effective strategic and tactical marketing techniques, listen to them carefully and closely and sincerely, and let them know just this—that you've heard them and that you understand what you've learned by listening… and they will then give you permission to start talking.

In other words… Hush, we're marketing in here. ■

Michael Fischler is founder and principal coach and consultant of Markitek (markitek.com), which for over a decade has provided marketing consulting and coaching services to companies around the world, from startups and SMEs to giants like Kodak and Pirelli.

How to Host a Successful Webinar

by **Todd Davison**
February 17, 2004

You've decided to test Webinars and add them to your marketing mix. You know your target audience and set your goals. You want plenty of qualified leads.

But before the next hand is dealt come a number of big questions: What will make them attend? When should we hold it? Who is the speaker? How and when do we promote it?

These questions seem daunting, but the answers are not. Some thought, planning and teamwork will bring you a Webinar with solid, qualified leads.

Content is king

No one wants to attend a Webinar that's an infomercial. Instead, pick a subject that really speaks to the audience you want to reach—one that is educational or answers a problem they face.

What's the target's "hot button?" If you offer a topic they need to know about, you'll grab their attention. Give them useful information and a learning experience.

Content is your top priority. Each of your targets will ask, "What's in it for me?" Select a good topic, and they will come.

A big name helps

Who will be the main presenter? Choose a recognized expert, an author, a person who has succeeded in solving the problem presented—the more respected and known, the better your attendance.

Selecting someone outside of your organization lends credence to the value of the event. Remember that the keynote presenter doesn't necessarily present the complete Webinar. Others, including you or your associates, can also participate.

Big-name presenters may be easier to get than you think. Of course, you can pay them, if that's in your budget. Once they learn about the planned promotion of the event, the amount of publicity they'll get, and the exposure to an audience they want to reach, they may reduce their fee or do it for free. An offer to share the leads might be all it takes.

The Webinar gives them a platform, access to an audience, a chance to be the expert and gain more recognition for themselves or their company.

But a big-name presenter is not essential. Putting all your eggs in one basket may build a bigger audience for that one Webinar, but a series of content-focused events pull more and better qualified leads in the long run. Multiple events offer prospects more convenient options of dates and times.

Timing is everything

You might have the greatest Webinar ever, but if you have it on the wrong date, weekday or time of day, your target audience will be doing other things. Think about your prospects and check the calendar.

Eliminate holidays and the days before and after them. Forget about Mondays and Fridays. Mondays are too busy, and Fridays are for last-minute projects or early-departure days. Are there any tradeshows that may conflict? How about end-of-the-month quotas?

Consider the time zones of your expected audience. Since most attendees will participate at their desks, when will they be there? If you market nationwide, a good time is 1 p.m. Central time. If you market in only one or two time zones, schedule the event between 11 a.m. and 1 p.m. Many prospects like to attend during lunchtime.

Thirty days away is best

Once you pick a date and time, when should you begin promoting the event and accept registrations? Thirty days is the optimum timeframe. Any amount longer, and the prospect may forget or lose interest. Less than 30 days doesn't give you enough time to promote for maximum attendance. Also, it's easier for your prospects to plan to attend something a month away than it is to plan for next week.

Realize that if you are planning only one Webinar, some of your hoped-for audience won't be able to make that day or time. A series of Webinars is better, or a choice of two dates for the same topic would help solve that problem.

Trying to hit a home run with just one big event on one day is not the best strategy. Some valuable prospects may be vacationing, traveling or ill that day—give them a choice of days or a series.

Four strategies will ensure a full house

Here they are:

1. **Leverage existing relationships.** Take a good look at your trade groups, associations that pertain to the topic, your affiliates and your vendors. How can they help? Perhaps they may cosponsor the event. Publicize it in their newsletters. Place a registration link on their Web site. Ask them to participate in some way.

2. **Use your customer base.** Unless you're a one-product or one-service provider, your existing customers should be contacted often. They already know the value of your company and are very likely to attend the Webinar. However, all too often, they may not know about your new offerings. They are your best prospects.

   New, qualified prospects are the lifeblood of any company. The goal of the Webinar is to identify and deliver them. It's easier for new prospects to respond to an informative Webinar, because their worry about the sales pitch is lessened.

3. **Merge promotion into your normal marketing program.** That is the most economical method, because there is little or no additional cost. All your advertising—search engine ads, newsletters, email, banner ads, your own Web site, even print and broadcast—is ideal for mentioning the Webinar and giving the link to register. It's also a response-builder.

   If you exhibit at a tradeshow, have fact sheets and registration materials on display and urge staff to meet, greet and mention the helpful free Webinar. Talking about the Webinar may quickly lead into serious discussions of products and services on the spot.

4. **Special campaigns get attention.** In addition to merging the Webinar promotion into your normal marketing, test some solo offers. These should feature the content, the value of attending and the convenience, and they should provide an easy way to respond. As you discover the value and results of Webinars, you'll budget more for special campaigns.

Involve your sales force and in-house staff

Invitation calls by your sales force to customers and current prospects are a wonderful way to get registrations and warm up prospects. A personal invitation is usually appreciated and remembered. It's an easy call to make and take, and may lead to some business right on the phone.

In-house staff can also help in the promotion. Be sure they are aware of the Webinar. Provide them a script for discussing it with every customer and prospect they help.

Keep it simple, but get what you need

A quick and easy registration process helps maximize attendance. You don't want to lose a good prospect by making registration too cumbersome or lengthy. Your goal is to get complete contact information, reinforce the value of attending, find out the source of the lead and get some qualifying information.

All promotions should have the same registration page link so that you work with only one database.

Don't lose two out of three

Our experience has shown that unless you send reminders after the registration, 67% of registrants won't show up for the event. What a waste!

To prevent this loss, send an immediate "thank you for registering" email with a request to mark their calendar. Follow this up with another email reminder about 10 days before the Webinar, a phone call reminder the day before and another email one hour before the Webinar starts.

Maximize attendance *after* the Webinar?

Even with all the reminders, some registrants won't attend—an unscheduled meeting, an illness, the press of business that day… things happen. You don't want to lose these prospects, because they have already expressed a level of interest.

Record the Webinar as a Flash file and put it on your Web site. Send non-attendees a "sorry you couldn't attend" email with a link to the file on your Web site. Preparing the file costs around $500, but this gives you a permanent Webinar that's on your Web site for other prospects to view.

If you choose not to archive the event, at least send non-attendees another email (or call) with dates and times of repeat Webinars.

Are they hot, or warm?

Right at the end of the event ask the attendees to complete a quick, on-the-spot survey. Webinars are interactive. Use this feature to get immediate feedback and more qualifying information.

About 75% of attendees usually fill out the survey. They ask other questions, provide input that improves future events and, most important, give you insights about their level of interest, needs and timeframe. Plan your survey carefully.

Follow up quickly

After the event, send each attendee a "thanks for attending" email. Send a survey to those who didn't complete one earlier.

Now that you have hit the jackpot with all of these qualified leads—some warm, some hot, some as connections for the future—implement your sales plan. Get the information to your sales force and monitor progress and results. With a carefully planned event, you are sure to win new business. ■

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Tell Me a Story: Q&A With Steve Denning

by **Cliff Atkinson**
May 4, 2004

As program director of knowledge management at the World Bank from 1996 to 2000, Steve Denning learned a few things about organizational knowledge sharing.

In his acclaimed book, *The Springboard: How Storytelling Ignites Action in Knowledge-Era Organizations*, he describes how storytelling can serve as a powerful tool for organizational change and knowledge management. As a leading authority in the role of storytelling in organizations, Steve says that PowerPoint can sometimes stand in the way of telling a story, and other times it can advance it.

Cliff Atkinson: *Steve, what is the importance of stories in organizations?*

Steve Denning: People think in stories, talk in stories, communicate in stories, even dream in stories. If you want to understand what's going on in an organization, you need to listen to the stories. Moreover, if you want to get anything done in an organization, you need to know how to use to story to move people.

CA: *What is a "springboard" story, and how can it ignite action?*

SD: A springboard story is a story that can communicate a complex idea and spring people into action. It has an impact not so much through transferring large amounts of information but through catalyzing understanding. It can enable listeners to visualize from a story in one context what is involved in a large-scale transformation in an analogous context. It can enable them to grasp the idea as a whole not only very simply and quickly but also in a non-threatening way.

It works like a metaphor—you tell a story about the past where something has already happened and invite the audience to imagine a future where this isolated example happened much more widely.

CA: *How do you respond to critics who say that storytelling is (a) unscientific, (b) unsupported by facts and/or (c) inauthentic?*

SD: *Unscientific:* Management theorists who claim to have a scientific approach to management are kidding themselves and their audiences. Management involves dealing with human intentions and purposes, which are not amenable to scientific observation and measurement. You can easily see this from the numbers of management advisers around.

In chemistry, or physics, or the other real sciences, you don't have large armies of advisers floating around, advising on what's the right answer to physics or chemistry or whatever. Scientists themselves can see what's right or wrong. Something is observable or it isn't—end of discussion.

In management, there is no such scientific clarity, and hence clouds of advisers swarm around like locusts, most claiming to have a scientific approach, which of course is just a story aimed at giving the speaker cognitive authority over everyone else and to call the shots. The activity is interesting, even exciting and important, but it's not scientific.

Unsupported by facts: There is a growing body of case studies, full of facts, about the impact of story. My book, The Springboard, on the World Bank is full of facts about what happened there. More work is under way.

For skeptics who ask, "Why should I try what you recommend?" my reply is, If you have something that's working, and you're able to persuade skeptical audiences of transformational ideas with what you're already doing, then go ahead, be my guest, and use what's working for you. I can make this offer without fear because the problem is that the traditional approaches actually don't work at all when you're dealing with difficult skeptical audiences. Story works in the hard cases, when nothing else works.

Inauthentic: The claim that storytelling is inauthentic and that something else (analysis? abstractions?) is authentic is ridiculous. Anyone who argues that should study the meaning of authenticity.

Authenticity emerges from stories that are true and that ring true.

CA: *What do you make of the criticism of PowerPoint lately that has been fueled by Edward Tufte's essay,* The Cognitive Style of PowerPoint?

SD: Tufte's essay is a cranky piece and I can understand the crankiness of anyone having to sit through the average PowerPoint presentation in a business context. But it's a bit like writing an essay on *The Cognitive Style of the English Language* and arguing that because most written English these days is flaccid, poorly written and ill-thought-through prose, therefore we should abandon the English language. PowerPoint is a tool and a very flexible tool. The problem is not the tool but rather how it's used.

Images are an important mode of communication, and for some people the main way in which they learn things. PowerPoint is tool that can be used to reinforce oral communication with visual images. For some people, words along are fine. But why not use both words and images? The problem isn't PowerPoint. The problem is how it's used.

CA: *What is the appropriate amount of data that should be conveyed in a story?*

SD: People can't absorb data because they don't think in data. They think in stories. If you give people a story, then they can absorb the meaning of large amounts of data very rapidly.

CA: *When can PowerPoint stand in the way of telling a story? When does it facilitate it?*

SD: When a speaker simply reads out abstract bullet points, as one hears so often, one doesn't need to look at the audience to know that they're not listening.

If on the other hand, the speaker is thinking in stories, and talking in stories, and telling those stories with feeling and imagination, then PowerPoint images can support and underline the main elements of the story. Images can strongly reinforce the story. Amusing images, if well chosen, can be particularly effective in advancing the story.

CA: *What does a slide reveal about the person who presents it?*

SD: The same thing that anything we do reveals about us. If the slide is dull, repetitive, unimaginative, dull and boring, then it tells everyone what sort of person we are. If the slide is insightful, playful, spirited, passionate, incisive, then it tells us something else.

CA: *What is the appropriate relationship between a speaker, his/her body, projected media such as PowerPoint, and the audience? How does movement play a role among them?*

SD: Body language, tone of voice, eye contact are hugely important in communication. If these are exciting and dynamic and energizing, then the speaker could almost be reading the telephone directory and the audience will be inspired. If they're not, then the speaker might be unveiling a Nobel Prize-winning theory but no one will be listening.

CA: *What can people do to develop their storytelling skills, and to learn how to produce the visual media that enhances them?*

SD: Practice, practice and more practice. It helps if you can get access to a mentor who will share what has already been learned and apply that to your particular case. You can read my books, like *The Springboard* or *Squirrel Inc.: A Fable of Leadership* and *Storytelling* (to be released May 28, 2004). You can read articles, like my *Telling Tales* in *Harvard Business Review* in May 2004. But, in the end, you can no more learn to tell stories by reading books and articles than you can learn to ride a bicycle by reading a book about it. You have to get on the bicycle and try it. It helps if you have a clever coach. But ultimately you have to do it.

The good news is, however, that we are all storytellers. We've simply been browbeaten into thinking that this is some kind of arcane skill that only a few people have. As Jerome Bruner has documented, we all do it spontaneously from the age of two onward, and go on doing it throughout our lives. When we get into a formal setting, we succumb to what our teachers have told us and start to spout abstractions. But once we realize that our listeners actually want to hear stories, then we can relax and do what we all do in a social setting and tell stories.

My workshops show that even people who don't think of themselves as storytellers quickly discover that they can tell a story sufficiently well to get their point across, once they remind themselves of a few basics that they instinctively know but have forgotten.

Storytelling is our native language. It's easier to listen to. And it's easier to tell than abstractions. And it's the way to get things done in a modern organization. ■

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Back to Basics in Direct Marketing

by **Lee Marc Stein**
July 13, 2004

Sometimes I think that we're going to sophisticate ourselves to death. We get so convoluted in our embrace of techniques and technology, we forget about the basics.

Let's all refresh and recharge, focusing on these five keys to direct marketing success:

1. Build advocates

Advocates are your very best customers. They not only buy from you very heavily but also sell for you by touting your product or service to business colleagues, friends and neighbors.

The objective of any direct marketing effort is not just to get a response or make a sale. It is to build customers. Direct marketing can be used at any stage—separating suspects from prospects, moving prospects to trial, converting one-time buyers to multiple-time buyers, and getting multi-buyers to become advocates.

Not everyone will become an advocate. Direct marketing helps you leverage the 80/20 rule (80% of your business will come from 20% of your customers). It allows you to identify the 20%, reward them to retain them and then clone them.

2. Select the right media

Direct mail is not always the right response medium to use, nor is the Internet. It depends entirely on the profile of your customers/prospects and on the nature of your product.

For example, if you are marketing a truly broad-based product, direct mail will probably not be the way to go. It is too expensive on a per-thousand basis and takes too long to execute. Television will be probably be a better route. Once you have created and produced the spot, the cost of buying television can be as low as $10 per thousand. About the best you can do with direct mail is $300 per thousand.

For niche or micro-markets, however, television normally isn't the best route. For targeting, what works best are direct mail, the telephone and print advertising. If you're selling a product for boat owners, you could rent any one of a number of lists, mail a package and then follow up with a phone call, or you could place an ad in a boat-owner magazine.

Planning and buying media for direct marketing is much different from doing so for general advertising. The objectives are not the same, and fortunately the rates are not the same. In those media exclusively used by direct marketers (mail and telephone), working with someone who understands mailing lists is of the utmost importance. Lists are responsible for 60% of the success of a mailing, so using the wrong one can really hurt your chances of success.

3. Make the right offer

An offer simply means what you're willing to give and what you want in exchange for a particular response from prospects or customers. Included in the offer are price, terms, guarantees and extras. The right offer doesn't necessarily mean the one that generates the most responses or the one that generates the highest profitability from the individual effort; the right offer is the one that ultimately contributes the most to your business.

Offers are normally categorized by the objective of the direct marketing effort—lead generation (for field sales or telephone follow-up), traffic building (to a retail location, trade show booth or Web site) or direct sell to business or consumer markets:

- In lead generation, the decision is how hard or soft the offer should be. Hard offers generate fewer, but more qualified, responses. Hard offers generally will (1) ask prospects for considerably more information about themselves and their buying intentions; (2) ask for an appointment or demonstration; (3) mention the cost of the product or service; and (4) refrain from offering any type of gift or premium.
- Traffic-building offers normally involve premiums, special discounts or exclusives. As an example of the last category, upscale women's stores use a private or preview sale effectively in place of a premium or discount.
- In direct-sell situations, free trials, samples, premiums and discounts can all work to draw attention to your promotion and boost response. And despite their recent bad press, sweepstakes, if handled correctly, can work in your favor. You need not offer $10 million (or even $10 thousand in some circumstances) to increase your response. Whenever possible, offer a guarantee.

Certain offers will help you move customers from being one-time buyers to advocates. Loyalty programs deserve consideration from almost every marketer. Then, depending on your product or service, you can consider offers like automatic shipment, membership clubs and continuity programs.

4. Create advertising that gets response and builds a relationship

You need to break through all the communications clutter in the marketplace. Now comes the hard part: the breakthrough must be done in a way that's credible and in keeping with your product or service.

Example: You can put a photo of a cute baby on the envelope of a direct mail package to get it opened. But if you're selling steaks by mail, you have to tie the product to the baby or you will have attracted attention without paying it off for the reader.

The keys to creating good direct response advertising are understanding the prospect's beliefs and coming up with a strategy to change those beliefs in your favor. The strategy must be based on a differential advantage (a benefit your prospect wants and can't get elsewhere) and your ability to communicate it.

Good direct response advertising involves the prospect. In direct mail, personalization, tokens and rub-offs, stamps, and quizzes all aid involvement. Good direct response advertising also makes it as convenient as possible for a prospect or customer to respond. Use as many vehicles as possible: 1-800 numbers, prepaid reply envelopes, fax numbers, e-mail.

Make sure your advertising unit supports the creative strategy and message. For example, if you're trying to get the top half percent of the population to consider buying luxury vacation homes from you, don't merely send out a flyer offset on cheap paper. Conversely, there are many situations in which one-third-page ads in magazines will bring in as many responses as full-page ads.

5. Analyze response to improve profitability

One of direct marketing's great assets is that it is exquisitely measurable. The ultimate measurement is lifetime value of a customer. This means how much profit a customer contributes over a period of time (usually five years) after the cost of goods and services and promotional expenses.

There are a number of ways to improve lifetime value (other than lowering product/service costs): lowering customer acquisition costs, increasing frequency or duration of purchase and increasing size of purchase.

Being able to measure means being able to improve. But the only way to improve is to test on a continuous basis. The critical factors to test are these:

- **The media you use.** Will print advertising bring in new customers more cheaply than direct mail? Will they be better customers? Which lists pull the best response?
- **The offers you make.** Increasing your shipping & handling charge by $1.00 could substantially increase profits because it has no effect on response. A 30-day free trial could substantially increase the number of people who respond… but if your product isn't good, the trial could have a negative effect on profitability.
- **The creative approaches you take.** What strategy best separates you from your competitors? Should you say it with different words, fewer words and more pictures?
- **Your timing.** What months are best for you? What's the ideal time between efforts particular prospect and customer groups? How many times should you communicate with a prospect group before you give up?

Key coding and tracking your efforts become as important as anything else you do. ■

Lee Marc Stein is an internationally known direct marketing consultant and copywriter. He now works primarily with clients of Horah Direct, a full-service agency, as Creative Director & Chief Strategist. Read more of Lee's articles at www.leemarcstein.com.

Twelve Laws of Customer Loyalty

by **Jill Griffin**
May 11, 2004

... customers buy relationships and familiarity. They want to buy from people who know them and their preferences. Key rule of loyalty: serve your employees first so that they, in turn, can serve your customer.

1. Build staff loyalty

It's a fact: firms with high levels of customer loyalty have also earned high levels of staff loyalty. It's darn near impossible to build strong customer loyalty with a staff that is in constant turnover.

Why? Because customers buy relationships and familiarity. They want to buy from people who know them and their preferences. Key rule of loyalty: serve your employees first so that they, in turn, can serve your customer.

2. Practice the 80/20 rule

In building customer loyalty, the 80/20 rule is alive and well. Roughly speaking, 80% of your revenue is being generated by 20% of your customers.

All customers are not created equal. Some represent more long-term value to your firm than others. A smart company segments customers by value and monitors activities closely to ensure high-value customers get their fair share of special offers and promotions. Unlike many firms that simply measure overall redemption, these savvy loyalty builders pay close attention to who redeems.

3. Know your loyalty stages and ensure that your customers are moving through them

Customers become loyal to a company and its products and service one step at a time. By understanding the customer's current loyalty stage, you can better determine what's necessary to move that customer to the next level of loyalty. There are six stages of customer loyalty: suspect, prospect, first-time customer, repeat customer, client and advocate.

If your customer relationship processes and programs aren't moving customers forward, rethink them.

4. Serve first, sell second

Today's customers are smarter, better informed and more intolerant of "being sold" than ever before. They expect doing business with you to be as hassle-free and gratifying for them as possible.

When they experience good service elsewhere, they bring a if-they-can-do-it-why-can't–you attitude to their next transaction with you. They believe that you earn their business with service that is pleasant, productive and personalized; and if you don't deliver, they'll leave.

5. Aggressively seek out customer complaints

For most companies, only 10% of complaints get articulated by customers. The other 90% are unarticulated and manifest themselves in many negative ways: unpaid invoices, lack of courtesy to your frontline service reps and, above all, negative word of mouth.

With the Internet, an unhappy customer can now reach thousands of your would-be customers in a few keystrokes. Head off bad press before it happens. Make it easy for customers to complain, and treat complaints seriously. Establish firm guidelines regarding customer response time, reporting and trend

analysis. Make employee complaint monitoring a key tool for executive decision making.

6. Stay responsive

Research shows that responsiveness is closely tied to a customer's perception of good service. The advent of the Internet has changed the customer's perception of responsiveness. More and more, customers are coming to expect round-the-clock customer service.

Moreover, customers now arrive at Web sites time-starved and eager to locate answers. Technology tools such as customer self-service, email management and live chat/Web callback are proving increasingly critical for companies as they address the demanding customer's responsiveness needs.

7. Know your customer's definition of value

The loyalty password is "value." Knowing how your customers experience value and then delivering on those terms is critical to building strong customer loyalty.

But knowing your customer's true definition of value is not easy, because your customers' value definitions are constantly changing. Invest in customer loyalty research that enables you to understand, through the eyes of the customer, how well you deliver value.

8. Win back lost customers

Research shows that a business is twice as likely to successfully sell to a lost customer as to a new prospect. Yet, winning back lost customers is frequently the most overlooked source for incremental revenue in many firms.

Why? Because most firms consider a lost customer a lost cause. With the average company losing 20-40% of its customers every year, it's imperative that firms create hard-working strategies not only for acquisition and retention but also for win-back. Since no customer retention program can be 100% foolproof, it follows that every company needs a process for recapturing those high-value customers who depart. Think of it as loyalty insurance.

9. Use multiple channels to serve the same customers well

Research suggests that customers who engage with a firm through multiple channels exhibit deeper loyalty than single-channel customers. But take note: this finding assumes that customers get the same consistent service whether coming into the store, logging on the Web site or calling the service center.

To achieve consistency, your firm must internally coordinate sales and service across multiple channels so that customer preferences are accessible no matter how the customer chooses to interact. Today's customers expect to hop from channel to channel, and they expect good service to follow.

10. Give your frontline the skills to perform

Increasingly, for many companies, the employee "frontline" is a call center where agents interact with customers. These agents will be the "loyalty warriors" of the future. Converged call centers that bring together multi-channel access points (phone, fax, email, Web) are on the rise.

Gartner Group estimates that 70% of North America's call centers will migrate to multi-channel contact centers by 2005. This means that those agents need to be as equipped to write a well-written email reply and navigate the company Web site as they are in being helpful and friendly on a phone call.

11. Collaborate with your channel partners

In today's complex marketplace, a firm is often dependent on many suppliers to help serve its customers. Embracing these supply chain relationships for the greater good of the ultimate customer creates customer value that is hard for competitors to match.

For example, a European auto manufacturer converted its customer data base program into a system that could be shared by all channel partners. By refusing to hoard the information, the manufacturer helped create a blended channel strategy that built greater customer loyalty throughout the distribution chain.

12. Store your data in a centralized database

Most firms lack a 360-degree view of their customer because they have no centralized database. Billing departments, sales divisions and customer service centers might all have their own databases, with no effective means for creating a complete customer-information composite.

To effectively implement a sound customer loyalty strategy, data from all customer touchpoints must be combined into a centralized customer database. Without it, the firm is greatly handicapped in its efforts to serve the customer. ■

Jill Griffin is the author of the business best seller Customer Loyalty: How to Earn It, How to Keep It and coauthor of Customer Win-Back: How to Recapture Lost Customers and Keep Them Loyal. Reach her through www.loyaltysolutions.com.

A New Perspective on Marketing to Women

by **Andrea Learned**
August 10, 2004

Isn't marketing to women just good marketing? Of course. So why are so many companies, and even entire industries, missing the boat?

Perhaps executives aren't really committed to the women's market opportunity? Perhaps the whole "women's thing" is a bit daunting for some reason? Perhaps the company dipped a toe in the water in the 1980s by painting the interior of its retail outlets mauve, and darn it all if it didn't work?

Well, here's the key: learning more about your female customers and how they buy is potentially more important than the product or service you are selling. Got your attention?

"Transparent marketing" is really the future of marketing. Using this approach to reach women, in particular, can be an incredibly powerful tool for increasing sales and building loyalty.

What is transparent marketing? It is knowing your market inside and out, and then delivering products and marketing messages that are relevant to them. It involves a lot of preparatory research and continual interaction with your particular women's market.

The difference in using transparency marketing is that your company would not be just dabbling in the "women's thing." Instead, it would be truly committing to, and investing in, women as consumers. Do I need to remind you that women make or influence some 80% of consumer purchases these days?

So, how can companies revise their methods to more transparently connect with women?

First, the whole team, from executives on down the line, need to see the value in better serving women. Then, everyone needs to commit to learning more about women and how to tend to the complexity of their purchase decision-making process.

The following six keys will help companies get into the transparent marketing mindset:

1. **Narrow your focus.** Start with the narrowly defined but important group of the early adopters of your product or service. Get to know them and serve them well, and their passion for your brand will attract a wider audience. Take the yoga movement as an example. Remember when yoga was a fitness activity only for earthy-crunchy Northern California Birkenstock types?

2. **Understand your customer community intimately.** You can't sit back and operate from within your industry's vacuum. You've got to understand what influences women by exploring their wants and needs. Yes, this sounds a tad touchy-feely, but the results make it worth the initial discomfort. Two elements to consider in your research are "a day in the life" and "a day in the dreams" of your women customers.

3. **Build customer feedback into the process.** You've got to admit that gathering customer feedback when a product is already on the shelf is a little late. However, getting their feedback on product design changes and marketing strategies before you are too far along can save huge amounts of time and money. Plus, that in-the-process connection with customers establishes your company's commitment to them and reflects the value it places on such input. Those customers who are involved in the early-on research will most certainly be some of your product's or service's biggest and most passionate fans. Of course, they'll spread the word.

4. **Focus on your product's context.** What are the key scenarios or life stages that the women in your brand's customer community experience? Are they sitting around at the doctor's office? Position your brand there in some way. Are they grocery shopping, driving on the Interstate, stopping into a coffee shop chain or going to Pilates classes? Be there as well, or figure out a way to partner with brands that are already there and are already trusted.

5. **Understand and define your brand.** Has it been a while since your company revisited this topic? Has the brand become diluted in trying to be everything to all people over the past 20 years? Remember transparency key No. 1 and define what your company does in order to be relevant to the very specific market you've identified. The uniqueness or specialization of your brand really appeals to a woman's sense of being "in" on a great find and it also makes them want to tell others. For example, anyone can look up "day spa" in the yellow pages. But if your spa decides to specialize in and promote a 15-minute lunch-break pedicure service, the news will spread like wildfire and there will be no need for a phonebook ad.

6. **Be authentic.** Women have radar for companies that say they know women, and *even* put smiling women in ads, but don't reflect real knowledge of which products women want (or how they want to buy them). Back up, with real effort, what your company professes. If you are in a traditionally male-dominated industry, build an advisory board of female customers. If you think your business is doing just fine but you haven't touched base with any customers lately, think again. A lot of what female consumers are looking for in products and services has changed with the times. So find out what they need and deliver it in a way that reflects your in-depth research and interest in better serving them.

Here are some examples of products or services that are relevant to women's lives and reflect transparent marketing.

- **Starbucks:** The coffee retailer was among the first to feature cozy chairs for lingering and good background music. Now, the retail outlets offer wireless access for getting work done in the office away from the office. No need for a sign or big sale, women find what Starbucks offers very appealing.

- **Saturn:** Saturn was the first, way back when, to offer a no-dicker sticker. Women everywhere breathed a sigh of relief over simplified car buying.

- **Les Schwab:** This Northwest-region tire chain trains salespeople to run out to customer's cars to greet them. The company also offers free tire repair. What the company realized long ago was that the easy-to-accomplish details like these would be just the extra incentive to keep customers coming in when they needed new tires.

- **No Pudge Brownies:** The box is on the shelf in the natural food section of the grocery store, and the copy on the package reflects exactly what we need to know: it uses terms such as "Decadent, Fudgy & Chewy," "All Natural," "Fat Free" and "Quick & Easy." In addition, the founder of the company has humanized the brand with a personal note and reference to a cause that she supports that would also be relevant for many other women.

- **Reflect.com:** This online-only cosmetics company invites women to develop and customize their own lotions and potions, right down to choosing a name and picking the packaging. It ain't cheap. But the service and products greatly appeal to a core group of women who are passionately spreading the word.

Finally, consider transparent marketing as the obvious approach for any company that is customer-centric.

For years now, business gurus have been reminding us all to go back and get to know the customer, right? If you've been doing that, your company has already formed the foundation for using transparent marketing methods.

When your company is truly making the effort—thinking more about its women customers, communicating more regularly with them about what they want and how they want to learn about your products or services—your marketing efforts are likely to be relevant and authentic in their eyes.

Since your company is already more customer-centric, then, isn't it nice to know that it is also on the road to becoming transparent with its marketing efforts? Rest assured, as you start to integrate some transparency into your company's approach, women will notice the attention you've paid to the details of better serving them.

Then, you will see how not making a big scene in your approach to women, but marketing to them transparently, is well worth the time, effort and budget. ■

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Fight the Fear: The Ten Golden Rules of Customer Feedback

by **Ben McConnell and Jackie Huba**
March 2, 2004

Opportunities are often missed because we are broadcasting when we should be listening.

—Unknown

The biggest obstacle to knowing what customers really think about us? Fear.

We fear they'll tell us our product or service stinks, that we're horrible people and we should never have set foot on earth.

Yet most companies never hear that type of painful feedback. Our research finds that companies with strong word of mouth and customer devotion behave like high-performance athletes when it comes to focusing on customer feedback. In effect, they are feedback machines. Customer feedback drives their marketing strategies, product development and service expectations.

Australian beer company Blowfly has integrated customer feedback into its company's decision-making process by asking customer "shareholders" to determine marketing plans, product names, street-team strategies and operational decisions usually made by executive committees. In many ways, Blowfly has turned ownership of the company over to customers. This has caused so much positive word of mouth that the company—even before it was a year old—landed a hefty North American distribution deal with hip grocer Trader Joe's.

Toy retailer Build-A-Bear Workshop sends out weekly surveys to its database of six million customers asking them to rate their recent store experience, including the cleanliness of the bathrooms! Company founder Maxine Clark attributes her company's success—it has grown to 113 stores in five years doing $200 million in revenue—to its intense focus on gathering customer feedback.

The opposite approach to proactively gathering customer feedback—waiting for it arrive on its own—is fraught with peril. Research firm TARP has found that for every person who complains, there are 26 who do not. That means if 10 customers complain, another 260 may have quietly dumped you, never to call again. To know what customers are thinking, we must ask.

Companies that operate as feedback machines—using a plus-delta model of understanding what customers love (the plus) and what they would improve (the delta)—make improvements to their operations quickly and efficiently.

Overcome the fear of customer feedback and make a bold move toward creating volunteer referrals with these tips, the 10 Golden Rules of Customer Plus-Delta:

1. Believe that customers possess good ideas

How often does someone in your organization respond to an innovative idea by saying, "Our customers don't want that." But you already have had customers indicate otherwise. The naysayer is operating from a level of otherworldly omniscience and is in the wrong the field of work. Other killjoys will argue that customers are incapable of knowing what really makes a product or service valuable, and therefore customer input is unnecessary. Asking customers to participate in your problem-solving and idea generation is an act of courage, not of weakness.

2. Gather customer feedback at every opportunity

Every customer interaction is an opportunity for feedback. Avoid the trap of "we don't want to bother our customers." If are customers are busy, they will politely decline.

3. Focus on continual improvement

As Peter Drucker once said, a business has two purposes: marketing and innovation. Enlist the aid of your highly affiliated, most passionate customers to help you improve an aspect of your business every week so that it builds monthly momentum. Word will spread quickly when a company's quality starts improving, especially if you thank specific customers for their assistance.

4. Actively solicit good and bad feedback

The first part is relatively easy. The second question is usually the source of feedback fear. Finesse the situation by asking "what is the one thing you would change or improve about your experience with us or our product?"

5. Don't spend vast sums of money doing it

Multiple-page customer surveys that take six months and cost the equivalent of two salaries may impress the CEO and board of directors, but they may be outdated by the time the data arrives. Short, fast surveys deliver better response rates and allow you to react rapidly to issues raised. Solve one or two problems at a time, not everything at once. Tell your customers how their feedback directly contributed to your changes.

6. Seek real-time feedback

Kimpton Boutique hotels CEO Tom LaTour says he has three duties every day:

a. Review revenue targets

b. Manage people

c. Call 8-10 customers

With his customer plus-delta on his *daily* schedule, he's not the last to hear about problems. Often, he's the first. Obviously, he has the cachet to resolve issues quickly. When the CEO of a company has resolved your complaint, word spreads fast.

7. Make it easy for customers to provide feedback

Companies as feedback machines employ multiple input points: in person, email, Web sites, point-of-purchase cards or receipts, conferences and the telephone. After all, being a feedback machine is about making it easy—for the customer—to provide feedback, not what's convenient for you.

8. Leverage technology to aid your efforts

SurveyMonkey.com makes it very easy to gather feedback via a Web-based survey. It (among others) is fast, efficient, and inexpensive. It automatically tabulates data and doesn't require a techie to launch. Your data is virtually complete within 48 hours of sending customers a link to the survey.

9. Share customer feedback throughout the organization

Responsibility for customer feedback extends beyond the marketing department. It's a "theology" (and practice) from the executive suite to the sales force and everyone in between. Accordingly, ensure that everyone in the company knows what customers are thinking by sharing customer feedback; product and service decisions will be better informed as a result.

10. Use feedback to make changes quickly

You can't move a mountain in a day, but you can make it easier to climb by clearing a path. Customers who evangelize their friends and colleagues love a responsive organization, especially ones that keep them in the loop of how their feedback was used (or wasn't). ■

Ben McConnell and Jackie Huba are the authors of Creating Customer Evangelists: How Loyal Customers Become a Volunteer Sales Force.

Best Practices for Customer Success Stories

by **Lucy Sanna**
December 7, 2004

In today's competitive enterprise technology marketplace, the customer success story can be the tipping point for turning a prospect into a customer. As an influencer, successful customers can have a major impact.

But what makes a customer story successful? Of course, the success story begins with a happy customer. But are you focusing on the right customers? Are you writing the best stories? Can your sales team and its prospects find the most relevant stories on your Web site?

Focus on sales and marketing needs

To create successful customer reference stories, you must match your customer references to your company's target markets. If you can answer "yes" to the following two key questions, your customer success stories can play a key role in driving sales:

1. Does your marketing organization have the references needed to support current and future campaigns?
2. Does your sales staff have success stories that target current prospects?

To answer these questions, measure your customer references against your company's sales and marketing strategies using the following criteria:

- **Industry.** Do you have references in those industries that your company is targeting? Do your success stories include a section on those industries' challenges?
- **Business environment.** What business issues do you need to represent? Again, do you have the references? Do you reference those issues in the story content?
- **Company size.** Do you have references to cover all targeted company sizes: startup, small cap, mid-market, Fortune 1000, Fortune 500 companies? Which are most important? Do your success stories include a customer snapshot with the company size, if relevant?
- **Geography.** Do your references represent targeted geographic market segments?
- **Market segment.** What other market segment parameters should be included in your success stories?
- **Product line.** What product lines need to be covered? Do you have references that demonstrate success using those product lines? Do you include that information in your success stories?
- **Audience.** What audience are you targeting: executive, business line management, technical? Are your success stories written to address that audience's need for information? Do all writers use the same interview guide to create consistent copy across all success stories?

Create compelling stories

After you have identified the reference criteria and the appropriate reference customers, the next step is to manage the content development and delivery process to gain the most impact.

The following guidelines will help you create the most value for your program:

Reference Story Management

- Maintain a reserve of reference stories across the total range of priority market segments and product lines.
- Make references readily available online through your company Web site, with easy print-on-demand capabilities.

- Produce stories in PDF format so approved copy will not be altered.

Customer Story Content

- Use compelling headlines that focus on quantifiable benefits in terms of dollars or percentages (i.e., time, efficiency, resources, profitability, customer service). The best stories can be easily understood by scanning only the heads and subheads.
- Begin each story with a short executive summary of one or two paragraphs that quickly spell out the bottom-line benefits. A compelling customer quote will underscore that message.
- Include sections or sidebars on your company and its products/services (relevant to this story); on the customer company and the customer challenges (industry/business); how the challenges were addressed using your company's products and/or services; the customer's current technology footprint; and the customer's future plans, including use of additional products and services.
- Include compelling quotes from individuals on the same level as the intended audience (usually C level). Quotes should present the business challenge and how your company's products/services solved those challenges. To elicit such quotes, you must be expert at questioning customers. Do not leave this task to someone unfamiliar with your company's products or your target customer markets.
- Update reference story content at least annually.

Collateral Delivery

- Link customer reference stories directly from your company home page. For example, on your corporate home page, include a link such as "Customer References." Once in the Customer References page, viewers should be able to choose from among all your customer stories.
- Let viewers select stories by several criteria, which might include customer name, industry, product line, partner, database, hardware, back office, country/region and language.
- Use the compelling headline as a hotlink to the profile. You might want to include the executive summary under the headline.
- From within the customer success story, link to other relevant media such as videos, press releases and case studies on that customer, that industry or that product line.
- When you link to other sites (either your own company pages or customer sites), put those into separate windows so the viewer does not lose the Customer Reference page.
- Limit color-saturated areas to a minimum so print-on-demand will be quick and will not consume too much ink.
- Include 3-5 compelling customer quotes on your company home page, linking directly to those customer stories. Rotate often.

Market success stories to internal users

Even the most compelling content will gather dust if you fail to market it to internal users. Communicate regularly to everyone and anyone who might leverage success customer information and content—field marketing professionals, public relations agents, analyst relations members, company magazine editors and executive-speech content creators.

They're all looking for the best stories, and if you focus on your company's sales and marketing needs to create compelling content that sells, they'll look to you as a prime resource. ■

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B2B Relationships Built to Last

by **Allen Weiss**

November 9, 2004

Companies truly interested in creating long-term customer relationships might heed the words of Thomas Schelling.

Schelling said the way one strengthens a relationship between two parties is by "tying their hands," in effect making both sides vulnerable and dependent on each other.

Promises that "we're really interested in making *you* satisfied" won't work. That sounds like little more than a one-night stand. And technology alone—in the form of customer relationship management programs—can't build close relationships.

If you want to build a forever relationship with your customers, you must understand the characteristics of a quality relationship before taking the necessary steps to build and manage long-term relationships.

The key to all long-term relationships between business-to-business (B2B) partners is *symmetrical dependence*. As Schelling suggests, each party in the relationship must be equally dependent on the other.

Relationships are confusing

As most of us know from personal experience, relationships are complex. Building a long-term relationship—like a good marriage—is both hard and time-consuming, which is why bookstores are filled with volumes on relationship counseling. Long-term B2B relationships are no less difficult.

The entire subject gets more confusing pretty quickly, especially when you start thinking hard about whether you're currently in a good relationship.

Here are two reasons why:

1. **You may think you have a close relationship when you don't.** By definition, relationships involve two partners. What you consider a close relationship might seem otherwise to your partner, leading to quarrels and bickering. In a B2B context, this means you'll be haggling with your partner over the price, delivery, specs and so on.
2. **Both partners seem as if they want a close relationship, even if they really don't.** If partners convince you they are in it for the long haul, you'll end up giving them all sorts of stuff—like your time, energy, concessions. They'll gladly take these things and then run off with a competitor. Don't be fooled. Not everybody wants a close relationship.

It's not clear to me that companies are willing to tie their hands to their customers. One thing I've learned from working with companies is that they tend to like their customers being dependent on them, but not the other way around.

To build relationships to last, four questions will help you to evaluate potential and make necessary adjustments:

Question No. 1: Are you in a close relationship now?

So how do you know whether you're in a close relationship? There are some clear signposts you can use. Think of one of your business partners—a business supplier or customer, perhaps—and answer these four questions honestly:

1. **Do you and your partner care about each other?** In a B2B context, each party should care whether the other one also makes money. If so, are you willing to give up something to make that happen? If not, you don't have a close relationship.
2. **Do you and your partner think long term about the relationship?** There's no room for short-term commitments here. For example, if a low price is the basis of a relationship, it's probably not a committed one.

3. **Are you both proactive when it comes to problem solving and to preventing problems?** No relationship is issue-free. You should be working to anticipate problems and solving them when they arise. 4. Do you trust your partner, and does your partner trust you? Yeah, yeah...you say you trust each other. But do you really? Don't fool yourself into thinking you have a close relationship if there isn't a solid sense of mutual trust.

Trust *me* on this one: if you don't have these qualities in your B2B relationship, it's not working. After all, codependent relationships and one-night stands also appear to work quite well, but only until something a little healthier comes along.

The reality is this: close long-term relationships between B2B partners involve much, much more *balance*.

Question No. 2: Does your customer truly want the relationship to last?

Business customers want a close relationship with a seller when they are buying something that makes them dependent on the seller.

For example, imagine the customer is putting its entire Internet business in the hands of an Internet consulting company. The customer is now dependent on the consulting company. Can you see how the customer might now want a close relationship?

Your customer wants a close relationship if what you sell...

1. Is strategically important to a customer
2. Is mission critical
3. Requires significant switching costs
4. Is not modular

Strategic Importance of the Product

When a customer is purchasing something strategically important, that customer becomes more dependent on the seller—and therefore more oriented toward a close relationship.

What do I mean by strategically important? Well, essentially, something that allows the customer to differentiate what it sells. When NutraSweet (a sweetener) first entered the market, it sold its formula to Coca-Cola. This allowed Coke to differentiate its cola from all competitors in the market. Thus, NutraSweet was strategically important to Coke.

Ask yourself: Is what you sell strategically important to your customers?

Downside Risks

When a customer is purchasing something for which there are large downside risks, that customer become oriented toward a closer relationship. If you're selling something that is *mission critical* to a customer, that customer is likely to be open to a close relationship.

Ask yourself: Does what you sell have big downside risks for your customers?

Switching Costs

A customer that must build up high switching costs in order to buy and use your product or service becomes oriented toward a close relationship. What types of switching costs are there?

I typically think of switching costs in terms of obvious things like equipment or software. So, if to buy a seller's product you have to change software, you incur high switching costs. Although true, that is a limited view of switching costs.

Switching costs can also come in the form of training or replacing people, or even developing and adopting new procedures that are geared to work with a specific seller (such as information links or administrative controls).

When a buyer must build up such switching costs in order to buy a seller's product, that buyer becomes close-relationship oriented.

Finally, we should note that switching costs might be psychological. These arise due, in part, to the comfort a customer may derive from purchasing from a seller with a strong brand name.

Ask yourself: Does what you sell require large switching costs for your customers?

Modularity

When buying something that is easy to mix and match within a usage system, a customer becomes less, not more, oriented toward a close relationship.

A "usage system" is simply a set of products that must be used together to be useful to a customer. Most products are purchased as part of an overall system. An Internet connection is an example. By itself, it is worthless; its value becomes apparent only within the context of the usage system (a computer, browser and the Internet connection).

Many things that firms sell are part of a larger usage system (databases and applications, WAP-enabled cell phones and WML coded content, etc.).

To the extent that what a customer is buying is easily mixed and matched inside the usage system, that customer become less relationship-oriented.

Thus, if any database can be used with a given application, the customer for databases becomes less relationship-oriented toward a database vendor. You can readily see how industry standards and the open source movement have a profound impact on modularity when it comes to technology and the Internet.

Ask yourself: Is what you sell highly modular for your customers?

Question No. 3: Are you equally dependent on each other?

Feeling dependency is part of life. We form partnerships, strike buying contracts, integrate business processes and enact all sorts of contracts and deals that make us dependent on each other. That's natural.

But the bad stuff comes when the balance is unequal, when the dependency comes from one partner leaning on another and not receiving support in return. That doesn't feel good, and that's natural too. This is what researchers call "asymmetric dependence."

If you want to have a lifetime relationship, both you and your partner need to perceive symmetric dependence. It's as simple—and difficult—as that.

If your relationship is not symmetric:

- Expect problems to start dominating your interactions.
- Expect the partner who is more dependent to start looking for a replacement (or a second source).
- Anticipate the dissolution of your relationship when a better partner comes along.

Question #4: Are you competing with your customer?

Here's a classic illustration of this dynamic: You're a music label selling through distributors. One day, you decide you can make more money by forgoing the music stores and selling directly to customers via the Internet. You're surprised when the music stores pitch a fit over this move.

But what have you done? You've created asymmetric dependence (the music stores perceive they're dependent on you for a certain artist's music, but they perceive that you aren't dependent on them—since you're now selling direct).

If you're going to compete with a customer (as the label did with the music store), you're going to have problems. The only way to deal with this is to either stop competing altogether or find a way to limit the degree by which you compete (by, for example, restricting your online sales to certain artists).

However it's done, competing with a customer is typically a setup for disaster, so you shouldn't be surprised when disaster strikes.

Coming in part two: It's Valentine's Day and you have the option to give someone fresh or dried flowers. The right choice will help cement a long-term relationship. Knowing not only which one to pick but also WHY will truly help you build B2B relationships to last a lifetime. ■

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B2B Relationships Built to Last

by **Allen Weiss**

November 16, 2004

We all seek that forever partner—in our personal lives, of course, but also in our professional lives, with a customer or supplier. But, as with any relationship, a lasting union is both tricky to find and difficult to maintain.

I talked about this issue last week, in Part 1, and ended that article with a promise to talk about how to forge long-term relationships.

Such relationships are possible, and the good news is that you don't even have to have the lowest price to make them last. In fact, it's not about price—your prices can be higher than your competitors' when you have the edge of a long-term relationship.

Yes, you read that right. Having a low price is not necessarily the key to maintaining a long-term relationship. Here's a brief story to illustrate my point.

I was once speaking to a large defense firm that sells to the US government. (The government, of course, loves to nickel-and-dime every supplier and puts suppliers through rigorous bidding wars every five years.)

When I introduced the concept of long-term relationships, most of the audience thought I was naive. At the very least, they considered me uninformed.

But a quick show of hands identified several managers who had indeed managed to have extremely long-term relationships (we're talking 25 years in length!) and didn't bring in the lowest bid. That's pretty impressive for an industry where conventional wisdom holds that such relationships aren't possible with the government.

How did these successful managers accomplish it? Read on. The bottom line is that even in situations where such relationships don't seem possible, they are.

First of all, recall that when you have a partner who seeks a long-term relationship, he or she is doing so typically because of feelings of vulnerability. Basically, partners are buying something that puts them at risk (like a very expensive purchase, or one that could put them out of business if it doesn't serve the company well).

The question is this: What can you do to give them the security they need? How do you let them know that you would be dependent on them as well if they chose you for a long-term relationship?

Build Trust

Start by building trust. Some of the misguided think that trust is about giving customers information about yourself, or using personal information in a responsible way. These are certainly good things to do for customers. But will they build the trust for a long-term relationship? Not as deeply as you need.

Trust is based on information about past behavior and on promises. So whatever you promise, you must deliver... it's as simple as that.

Beyond that, trust is built by sharing of both the good things that happen in a relationship and the bad. Sure, you're around when things are going great, but are you around when everything is falling apart? If your company tends to run away from its partner when the economy falters or business isn't doing so well, this isn't a long-term relationship.

You know that you're building trust if you believe your partner would answer a resounding YES to the following three questions:

1. Do you think our company is able to make adjustments in our relationship to *cope with changing circumstances?* Long-term relationships will always function in changing circumstances; do you think we're willing to adapt?

2. Do you believe that we will inform you *in a timely manner* about events or changes at our company that may affect you?
3. Do you think our company is committed to improvements that may benefit the relationship as a whole, and *not just ourselves?*

Signals

Good relationships are also forged with what might be called "signals." These are anything that informs the other party that you're interested in a long-term relationship.

This could be simply actions that show how positive you feel about the relationship, but also less-specific types of actions like social get-togethers and gifts. Emotion is often talked about when it comes to signals, but you typically see words like respect, fairness, communication and empowerment.

My sense is that most people have a good sense of what a signal is. We use it everyday to pass information between each other. What surprises me more is that some people don't recognize the power of a signal to positively influence a business relationship as well.

Not wanting to become dependent on a business partner is understandable on one level. But remember, we're talking about long-term relationships here. As I said before, your partner is dependent on you. So if you don't signal your willingness to be dependent on them in turn, you're living a fantasy.

Fresh Versus Dried Flowers

If you want to really make your relationship last, you have to use "credible commitments." Some people go blurry-eyed when I use this kind of jargon, but here's why they are so important.

Credible commitments are actions that you take toward you partner that have little value in other relationships. Take my fresh-versus-dried flower question I asked in Part 1. Most people say that it's better to give fresh flowers to someone because, well… they're fresh, or because they're more expensive.

But that's not what makes them better.

Fresh flowers are best because if your relationship were to fall apart, you could give the dried flowers to someone else—but you couldn't recycle fresh flowers. The fact that the fresh flowers have little value in other relationships is what makes them more credible.

Here's a real-life example. You go on a trip to see a business partner. While you're there, you could see other accounts. But what if you took the trip to see only that one partner? That would be more credible, because the airplane ticket is not being used in other relationships.

Companies that forge long-term relationships unwittingly use credible commitments all the time. They jointly develop projects, the results of which will be beneficial only to the two parties.

So the question you should always be asking yourself is this: What am I doing in this relationship that my partner will perceive as unique to this relationship and can't be easily reused in some other relationship?

If your partner perceives that it can be used elsewhere, you won't be helping to build the long-term relationships you want.

How to Have an Uncommitted Relationship

Have the lowest price. Get your partner to focus on just what a great price you have.

While you might sell something, don't expect to have a long-term relationship. Why? Because if somebody comes by with a lower price than you have... it's goodbye.

Can You Break Up Great Relationships?

A discussion of long-term relationships isn't complete without a short discussion of divorce. When I've talked about this topic, companies always ask me how they can secure their competitors' customers. That's the same as being a home-wrecker. The answer to this question is complicated, but the short answer is this: don't try to break up really good relationships. You'll look bad. (Although you can break up poor relationships.)

So, if you find a customer or partner who really wants a long-term relationship… don't blow it. Invest the time it requires. Competitors are always waiting in the wings. But if you deliver, it won't make any difference how many competitors there are.

So remember: a long-term relationship is hard, but profitable. Make sure you do it right. And make sure you give fresh flowers on Valentine's Day. ■

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Striking at the Achilles Heel of Integrated Marketing

by **Matthew Syrett**
May 18, 2004

Integration is a marketing catchphrase of the moment. Its value propositions seems unquestionably strong—the whole of a marketing initiative can be greater than the sum of its multidisciplinary parts if those parts work tightly together to assist one another.

While certainly capable of delivering on this promise, integrated marketing is not without its inherent vulnerabilities. One area of definite risk with integration lies in its rigidity—its inability to handle change and dynamic competitive forces.

The need to coordinate a host of disparate marketing disciplines in a united cause tends to slow integration's ability to make on-the-fly decisions and act upon them. One can readily foresee situations where more maneuverable competitors could take fierce advantage of the difficulties of an integrated initiative to turn on a dime.

I would therefore argue that as integration continues to mature, the importance of marketing agility and maneuverability will grow in importance—both as a defense for and offense against integrated efforts.

An Integrated Background

The idea of integrated marketing is hardly new. Walt Disney was using what he called "synergy" in the 1950s and 1960s to drive the Disney company forward using coordinated marketing efforts in print, television, movies, merchandising and his Anaheim theme park. Each part of the Disney marketing mix promoted other aspects of the mix that together built the Disney brand and revenue stream.

In the last 20 years, a wide range of marketers have begun to embrace integration as a mantra for their efforts in large part due to the increasing problems that exist with our mass mediums, which are presently fracturing and becoming growingly inefficient. This crisis in mass marketing has an ironic origin in the success of these mass mediums as advertising venues, which has in turn fed the growth of greater media complexity. This complexity has led to increasing difficulties reaching truly mass audiences as consumer media options become more diverse and segmented in an ever-growing sea of choices.

Integration has offered a partial fix to this problem by facilitating marketing efficiencies through a smart management of a total marketing mix. These efficiencies first took the form of the various media coming together to support a primary medium's effort (usually television) using consistent messaging across the secondary and tertiary communication channels.

This simple integration has given way to a more intense "synchronized" or "360-degree marketing" style of integration, which uses a total media mix to message consumer in a coordinated way with no one medium dominating. Synchronization is to marketing what surround sound is to an audio system.

A good example of how contemporary integration can work is to be found in the M&Ms Global Color Vote in 2002. The vote for the newest M&M candy color involved the coordination of not only a countless number of international marketing teams but also a series of marketing teams in the United States.

Porter Novelli kicked off the initiative in the US by building buzz for the vote using public relations pushes; BBDO then worked to drive further awareness using television and print advertisements; and Grey created a Web site infrastructure to facilitate the voting call-to-action and then collected new direct marketing leads as consumers interacted with the promotion.

The end result of the Global Color Vote was nearly 10 million consumers voting on the new color, a jump in product sales, and a dramatic harvest of relationship marketing leads for re-contact. The success of the effort was not easy, but this case shows well how the coordination of a series of marketing partners can yield dramatic results that any one of those partners alone could not achieve in today's difficult media environment.

The Risks of Integration

Success in integration requires much planning and management to orchestrate the varied mix of marketing disciplines. This need for strong coordination forms an Achilles heel for integration, since it often prevents rapid responses to unexpected situations and emergent opportunities.

To make matters worse, a failure of any one component within an integrated initiative, especially a synchronized one, can have dire results for the other marketing components that are dependent upon its success, which can cause a cascade of subsequent failures.

I can recall one cascading crisis where integration broke down when the public relations group working on a project responded to its own timing concerns by launched its PR push weeks early. The other partners were unable to change their schedules in time to take full advantage of the earlier-than-expected PR effort, which caused a significant loss in the effectiveness by the various disciplines at transforming public interest into program involvement.

The potential causes of integrated failure are many and commonplace, include these:

- Incorrect strategic assumptions
- Inferior tactical execution
- Unanticipated marketplace changes
- Delays bringing products to market
- Poor communication
- Conflicts between integration partners
- Rogue partner behavior

The tactical rigidity of integration often prevents recognition of the above problems as they are unfolding, which hampers damage control and response. There usually is an uncomfortable delay between the origin of a problem and its identification within an integrated framework.

Much potential mitigation time is lost as the integrated team slowly identifies the problem at hand and then figures out how to get the various parts of the effort to respond to the problem, if they can. The individual partners tend to labor along to complete their assigned tasks independent of the larger picture until directed to do otherwise, which often gives integration for good or bad a feeling of unalterable momentum.

Despite the clear risk of change, most integrated marketing plans rely on a passive and dangerous assumption that there will be little need to respond to change once the implementation begins. Many integrated marketers seem to live by the optimistic belief that their plans will flawlessly execute, so there is little need to spend money to mitigate potential risks.

Accordingly, most integrated marketing plans have few built-in contingencies to accommodate change. They also tend to have ineffective feedback systems to know in the midst of the initiative what is working and what is not. It is as if an understanding of success or failure of the integrated initiative is largely left to the very end of the project—way beyond the point of redemption from problems that might arise.

The inflexibility of integrated marketing takes on a darker shadow when one considers that almost all marketing takes place in a competitive environment. Therefore, exploitable weakness in your marketing practices can lead to gains by a shrewd opponent.

A nimble marketer would do well to survey his or her opponent's integrated strategy as it tactically unfolds, and respond against those components expected to be the most rigid and therefore the most venerable. If successful, a marketer can send a competitor's integrated initiative into a crisis mode from which it may not easily recover.

The risks of inflexibility in a competitive environment have been nicely defined within the military strategy work of Col. John Boyd. Boyd spent the later part of his life creating Pentagon presentations that advocated against rigid command and control structures for the US Military. The most well known of these presentation is his powerful "Pattern of Conflict," which formed a blueprint for combat successes first in Grenada and then the Gulf War.

Boyd argued that competitiveness in military conflict is dependent on the rate at which decisions can be made and applied. The faster one can make sound decisions and put them to use, the better one could compete with one's opponents. He further noted that faster maneuvering can destabilize opponents by continually short-circuiting their normal decision-making structures, thus providing even more tactical opportunity as the opponent struggles continually to reorient itself.

How Does This Relate to Integrated Marketing?

Boyd recognized that military competitiveness is best achieved not through creating stronger centralized command and control

structures but by relaxing these structures, thus allowing team members to react fluidly to a changing competitive landscape that they can observe firsthand. In Boyd's vision, central leadership should exist to provide clear high-level direction and facilitate the efforts of the opportunistic practitioners under its command.

The teams on the battlefield should be able to improvise within the high-level direction provided by command in much the same way that a good Jazz band will play spontaneously with a music score. All the musicians are playing the same piece of music, but each is free to opportunistically modify his own part to delight an audience. Practice and mutual trust assures that no one band member deviates too far from the music score and opportunities are exploited in a coordinated manner by the whole band. A Boydian-style agile team needs to work in this same manner to be competitive.

Boyd describes the optimal competitive situation as having "harmony," where all teams and team members are improvising in tandem toward a set of mutual goals while not requiring explicit orders to do so. When I played soccer, we call this same trait "touch," which allowed me to know in the heat of game how best to set up a team member to score a goal without having to rationalize explicitly about how they were going to break toward the goal or what foot they preferred to use.

The typical integrated project does not fit the profile of competitiveness as defined by Boyd. Integrated programs usually have centralized and slow-moving control structures with teams that have low trust working with one another. Most often, integrated teams are a series of groups thrown quickly together for a project and have little incentive and experience to work together in anything that approaches harmony. The critical ability of coordinated improvisation just does not naturally exist in most integrated programs.

There are two direct implications coming from the above insights about integrated marketing's weaknesses:

1. More agility and harmony need to be built into our integrated programs to defend them better against dynamism.
2. Agility should be explored further as a David-versus-Goliath response against integrated competitors.

Harmonizing Integration

The harmonizing of integrated marketing will not be an easy task, but it is not impossible. The first place to start is with the planning process, by allowing adequate feedback and flexibility to achieve increased organizational fluidity.

The integrated marketer would do well to stop making the troublesome assumption that nothing will go wrong, and start investing prudently up front to have backup plans ready if potential risks become reality. An integrated plan should include both an exploration of available mitigation measures and hedges against loss.

Unlike the financial industry, where hedging is commonplace, marketers do not often use hedging strategies to limit their risks. This is a mistake. Hedges are powerful tools to contain loss and keep flexible in a tough market. For those unfamiliar with the term, a hedge is a tactic that acts like insurance against potential loss, thus limiting damage should an initiative go awry.

A good example of an integrated hedge would be compensating your partners using incentives where the extent of compensation for these partners is variable and based on hitting or exceeding project targets. This hedge works by binding the cost of a project to how well it performs, so that any losses can be limited if an initiative flounders. These incentives work best if there is a strong profit motive in doing better than expected, so your partners have a stake in doing the strongest work possible as a team. If the incentives go un-won by the partners, they can be reapplied to fund any needed mitigation efforts to further offset losses.

One mitigation that all integrated marketers should undertake is the prevention of an integrated initiative's tactics from taking on a life of their own and becoming divorced from the ultimate strategic goals of the program. Diligence needs to be fostered within all partners of an integrated team to ensure that goals and tactics remain aligned. Each integration partner should be tasked with monitoring and understanding the effectiveness of its part of initiative within the context of the program's larger goals. Further, the teams should be enabled to be entrepreneurial in their efforts to improve these measures.

The leadership of the program should further push the partners to act spontaneously together to exploit new opportunities and defend against nascent liabilities as they emerge. In a promotional effort, for instance, the interactive partner could routinely mine the Web logs of the promotion site for links to that site from other sites, which are a wonderful source of organic opportunities for public relations.

As part of the earlier-mentioned M&Ms Global Color Vote, the Web logs for the promotion led the interactive marketing team to a previously unknown grassroots campaign by Apple computer enthusiasts to vote for the color Aqua, which happened to be the code name of part of the new Macintosh OS X operating system. In a harmonized model, this information could have been put to use to intensify the promotion through public relations highlighting this strange connection, while guerrilla-marketing tactics could have been applied to assure that it continued in a healthy manner.

This type of coordinated fluidity requires trust to work. Harmony will only grow when the various partners learn to trust one another and become comfortable with each other's tactics and habits. Therefore, marketers need to make a better effort to create a total-team feel on an integrated project.

Too often, only an uncomfortable bond exists between integrated partners, held loosely together by weekly conference calls to discuss milestones and deliverables. The lead marketers of an integrated initiative should encourage more and deeper contact between the partners under their leadership, including regular brainstorming about how to gang together to keep a project better on track and seek emerging opportunities. The different partners can even be provided financial incentives in this effort so that the needed levels of cooperation are not left up to chance or personality.

Confronting Integration

When confronting an integrated marketing effort by a competitor, the same tactics of increased maneuverability discussed above to defend integration can be turned against it. The strategy is simple—get inside your opponent's integrated decision cycle and destabilized it by creating unanticipated marketplace changes through your own communication efforts. With luck, your targeted counterpunches will result in the confusion of your opponents, a cascade of troubles for them, and a loss of positive efficacy for their efforts.

Given that integration typically works to serve the needs of brand marketing, the elements that most intimately support this endeavor should become the prime targets for any agile counterpunch. By striking at these elements, one is assured to be affecting the very success of the initiative, while often setting up your own brand for strengthening in the minds of consumers.

Brand marketing works by binding a concept of a product's differentiation into the minds of a consumer, and then using price and promotion to drive that consumer toward purchase of the product. One can readily derail brand-marketing efforts by affecting the successful execution of any of these steps toward consumer purchase. The agile marketers would do well to point its attacks toward counteracting an integrated initiative's effort to develop competitive differentiation, drive promotion, and make compelling offers in the minds of consumers.

For instance, Burger King recently launched a buzz-worthy interactive promotion called the Subservient Chicken, which allows consumers to visit a Web site and give a man in a kinky chicken suit orders. It was the hope of Crispin, Porter + Bogusky, the creators of the site, to start moving the image of Burger King away from just being centered on beef burgers by transforming the buzz about an oddball chicken Web site into momentum for a full integrated push to sell more chicken sandwiches at a fast food restaurant mostly well-known for selling hamburgers.

While successful at creating buzz, the new promotion does leave the Burger King brand in a venerable place somewhere between its traditional image and the new one they are hoping to mint.

If I were one of Burger King's competitors, I would be working double-time to make sure the handoff between promotion buzz building and image transformation does not occur seamlessly. One can sabotage this handoff by changing the discourse of consumers away from an interest in Burger King to questioning the meaning of this move by the company and its brand.

Why is Burger King abandoning its burger foundation? Can a fast food restaurant with "burger" right in its name really pull off a good chicken sandwich? And do I want to give business to a fast food joint that has a sadomasochistic bird as one of its mascots?

A good mix of tactical public relations and guerrilla marketing could quickly get Burger King on the defensive with a damaged image somewhere between where it started and where they want to be. This could be quickly followed by a run of brand advertising by Burger King's competitors reinforcing the strength of their own brand image in contrast to the half-executed image transformation attempted by Burger King.

With luck, Burger King's strategy would proceed unaltered until such time that adequate damage has been done to fully derail the present initiative. It would then be up to our hypothetical competitor to wait and react with the same speed and purpose to what might come next from Burger King in hopes of continuing the disruption of its integrated marketing long-term.

This contrived example shows how an integrated effort can be taken on by a competitor and defeated largely by exploiting opportunities as they emerge and letting momentum take its course. Success in these matters does not rely so much on the scale of resources that can be brought to bear against the integrated target, but upon the speed and smartness of the tactics.

When that's done right, the integrated marketer becomes his or her own worst enemy while in the throes of tying to get an unwieldy marketing infrastructure to react to change. ■

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Selling ROI: Beyond the Numbers

by **Tom Barnes**
April 13, 2004

If you are in marketing or sales, chances are it isn't because you aced linear systems in college. Truth is, math intimidates many of us, and so the attention around ROI can be daunting.

ROI is dominating modern marketing's methods and means. Sales and marketing professionals are now asked to determine payback periods and present values. While not a problem for most pros, let's just say grinding out spreadsheets isn't as fun as a round of golf or lunch Upstairs at 21. Sales and marketing have changed. Permanently.

What gets lost in the math phobia is that selling ROI does in fact require very human, very relationship-driven, qualitative skills. These skills are far more important than the financial formulas that are so alien to most of us.

Credibility adds up

Credibility, not math, is the most important factor when your marketing and selling leverages ROI. Causal relationships between your offering and the results you claim it generates still require a bit of faith on the part of the prospect.

You may know how your offering pays back, but typically you have to demonstrate it. That requires way more than a simple spreadsheet.

In fact, it requires three key elements:

1. Articulating the customer's true need in a way that benefits the customer more than you
2. Establishing a causal relationship between your offering and a positive financial impact for your prospect
3. Helping to resolve the prospect's need, even if it's not met by your solution

See, no math.

To really start marketing and selling ROI internally or externally, spend the first few minutes learning everything you can about the current condition you seek to improve.

Then, document two things:

1. How your customer sees his current situation
2. Your customer's goals—or, more simply, what they'd like to see improved in the future

When you document the current environment from the prospect's point of view, you build credibility. Ask yourself whom you are selling or marketing to.

Too many companies are selling to themselves—speaking to their own concerns regarding their offering—in an attempt to preemptively manage objections. Internal issues, derived from too much intimacy with the offering, drive a lot of bad pitches.

Often prospects don't care about your competitive position or even your features and benefits. Research indicates that buyers are typically alienated by choice.

People have needs—which must be acknowledged, documented, then filled. Your prospects have critical operational issues that must be resolved. They need affirmation that they are not being robbed and are executing the right solution for their problem. A solution that will promote them personally within the company, rather than get them fired.

ROI-driven business cases help customers know that they are making sound business decisions. They help reduce the risk and fear associated with expending precious corporate and personal resources. Still, fear is an emotion that must be managed using traditional people skills.

ROI makes everyone a bit uncomfortable—both you and your prospect. Your people skills are the best way to get people to feel better about the risk that they are assessing.

Relationships—not spreadsheets—build business cases

But you still need a business case, and, yes, that requires some math, but more importantly, it requires…

- Proof that you've been successful helping clients in similar situations
- Proof that you understand your prospect's relevant business processes
- Proof that you understand the business implications of your proposal

If you want to improve your sales results… try doing less work. Avoid premature elaboration (you know: "show up and throw up"). Postpone the PowerPoint. Delay the demo. Contain the collateral.

Use these important tools *after* you've documented that you understand what the prospect is trying to accomplish. Do this by gaining the prospect's agreement that what you've documented is an accurate review of his/her condition.

Agreement on your documentation is the key to gaining the trust that will make prospects open up and become comfortable with your proposition.

Your business case means little if you can't gain agreement with your prospect on it. Your customer must agree to the financial impact your offering will have, or all that fancy math will be in vain. You must genuinely understand your prospect's business.

Now that you've demonstrated a clear understanding of your prospect's business, you can get accurate information around very delicate issues such as…

- What are your prospect's revenue drivers?
- What are the cost centers?
- What is the prospect's vision for success?

Once you've built credibility by demonstrating that you understand the prospect's business, only now should you begin to "sell." Only by demonstrating sensitivities specific to your prospect's business can you have the credibility required to get meaningful answers to questions such as…

- What would an X% lift in revenue mean to the bottom line?
- What would $X savings mean?
- What is the prospect doing now?
- What is the prospect losing financially by doing nothing?

These are indeed quantitative issues requiring a fundamental competency in finance. The good news is that you can get help to build the models that easily and effectively calculate business impact. Once that work is done, it's done. You can repurpose the calculations again and again.

More important than the math is the relationship -- only a salesperson with legitimate and credible rapport can get answers to questions that yield credible business models. A credible business case happens only by getting accurate answers to delicate financial questions.

Theirs are the numbers that count

You cannot have a credible business case without using your prospect's numbers. Too many people come to a sales opportunity with *their* numbers, not the prospect's. Failure is certain when the prospect's number are not used.

Even if you have hundreds of customers, chances are that your prospects see themselves as very different from anyone else you've sold or marketed to. You can more effectively demonstrate value and credibility by embracing what the prospect sees as unique about his/her business.

That is not to say that your historic performance measures don't matter—they're critical to building credible case structure and range variables. You need to track all your customers' performances so you can demonstrate a real, historical ROI.

Do that by using the client to articulate his financial expectations from the beginning of the sales cycle. Build a library of financial casework to help refine your ROI modeling process. Confirmation of value will help you prospect for new customers and grow share of wallet as your set of offerings matures. ■

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Five Ways to Achieve Better Forecasts

by **Pat LaPointe**
March 23, 2004

"It's tough to make predictions, especially about the future."
—Yogi Berra

Even if you're still working with a No. 2 pencil and scrap paper, there's no reason you can't produce outstanding quality forecasts with more predictability and reliability than you've ever experienced before.

Although advanced mathematics and enormous computational power have improved significantly, few would argue that forecasting is an exact science. That's because at its core, forecasting is still mostly a human dynamic where accuracy is dependent on…

- Asking the right people the right questions
- Their willingness to answer truthfully and completely
- The ability to separate the meaningful elements from the noise
- The openness of the forecaster to suggestions of process improvement

That last point is key: process improvement. Consistently good forecasting isn't a mathematical exercise performed at regular intervals (e.g., quarterly) as much as it's an ongoing process of gathering and evaluating dozens or hundreds of points of information into a decision framework.

Then, when called upon (e.g., quarterly), this decision framework can output the best forward-looking view grounded in the insights of the contributors. While software can facilitate process structure by prompting for specific fields of information to be included, it cannot make judgments on the quality of the information being inputted. Garbage in, garbage out.

Which might help clarify what Yogi was referring: that even though baseball statisticians have over 100 years of data loaded into high-speed computers at their fingertips, the human element in what happens with the very next pitch makes it nearly impossible to forecast (with any acceptable accuracy) who will win the game, never mind the pennant.

The Benefits of Better Forecasting

As marketers, our job is to consistently prepare forecasts that help our companies conceive, plan, test, build and ultimately sell successful products and services. Marketing as a discipline benefits from better forecasting in at least two specific ways.

First, sound forecasting processes form the foundation of an "early warning" system to alert the rest of the organization to the need to rethink its market orientation. In essence, forecasting becomes the rudder that can help your company stay the course, change directions, or navigate uncharted waters with confidence. As such, marketing migrates from being a tactical player to a strategic resource for the CEO when forecasts become more accurate, timely, and reliable.

Second, better forecasting helps marketing respond to today's dashboard-equipped CEOs and CFOs who are continuously pressing for better ROI metrics and project accountability. Building confidence and credibility in forecasting helps marketers secure and allocate resources to new initiatives as the organization begins to trust that the forecasting prowess will provide a more reliable measure of future profits to be gained through today's initiatives.

Five Ways to Improve the Quality of Your Forecasts

1. Be Specific

As simple as this sounds, knowing exactly what you are forecasting is the most important step to success. It might seem pretty obvious that if you want to forecast sales, forecast sales. But what

question are you really trying to answer? Unit sales? Gross margin? Market share? Customer value?

Also, what period of time do you need to cover? The longer out the forecast goes, the less reliable it is in the out years. This becomes especially important if your forecast is intended to anticipate the market size of a new category that will cost tens of millions or more to enter.

In general, forecasts fall into one of two categories: operational and strategic. Operational forecasts manage the existing organization one or two steps ahead of today's reality. Strategic forecasts look further into the future to help focus the company's long-range planning. In mature market categories (toothpaste, personal computers, pet foods, etc.) the operational time horizon could be 2-5 years, and the strategic 10 or more. But for younger or more turbulent categories (mp3 players, feature films, etc.) operational windows could be measured in months while strategic horizons are maybe a year or two at best. In the early days of search engines, Excite was seeing traffic double every few weeks and new competitors entering daily. Operational forecasting was on a horizon of 10-30 days, and strategic was only 3-6 months, since no one could realistically see any further ahead. It's tempting to try to divine the future and seek competitive advantage. But risk factors increase as certainty declines, and if your company doesn't have a "bet the farm" culture, it is likely a waste of time trying to look too far ahead.

Finally, what degree of accuracy do you need? BASES, ACNielsen's famous database forecasting process for packaged goods products, has amassed the lessons of thousands of product launches in hundreds of categories across dozens of countries over a 25 year period. And yet, its forecasting accuracy is still +/- 20%. Not to suggest that you might not do better in your own markets, but understanding the economic impact of being in a margin of error of 5% versus 50% will guide the decision about the forecasting process required and the appropriate amount of resources and effort necessary to achieve the goal. The CMO graveyard is full of those who missed forecasts by a wide margin due to faulty expectation setting and/or misalignment of process to goal.

2. Be Structured

There are many reasons to take a structured, methodical approach to forecasting. First and most obvious is the importance of not leaving out key information that might affect the forecast. Also, there is the quality control factor and the benefit of double- and triple-checking all the assumptions and formulas. But among the less obvious benefits of structure are these:

- The removal of personal biases that might unknowingly be causing participants to filter their inputs or interpretations
- The continuity of consistently improving on the process over time, regardless of turnover among key input or executional resources
- The auditability of the approach to determine where things might have gone awry at various steps in the process
- The confidence that your rigor will inspire when others evaluate your work and are by necessity forced to accept some subjective judgments and assumptions

Structure needn't be costly or time-consuming. In its simplest form it is taking the time to map out and document all the inputs into the forecasting process; describing (in writing) the apparent relationships between causal factors; noting all assumptions and calculations in an easily referenced manner; and recording the accuracy of the resulting forecasts over time, alongside observations on emerging factors that might have influenced the results.

3. Be Quantitative—With or Without 'Data'

If you have lots of historical data at hand, quantitative forecasting methods such as moving averages, time-series analysis, and exponential smoothing create a much greater likelihood of developing a strong forecast, provided you have enough historical data to use them. But even if the only data you have are a series of "finger-in-the-air" estimates, you can still take a more disciplined quantitative approach by building simulations that explore the "what if" scenarios often hidden in best guesses at average outcomes.

Regardless of the quantitative approach you use, keep in mind that like power tools, mathematics can be really dangerous in the hands of the inexperienced. Hiring someone with strong statistical skills to determine the most appropriate quantitative methods given your data (or lack thereof) provides yet another comparison point to check against your experiential judgment.

Even if you choose to disregard the forecast derived by crunching the numbers, at least the exercise will have caused you to think about your instincts a bit harder. More likely, the quantitative process will raise questions about assumptions and data anomalies, which will highlight previously overlooked risks relevant to the forecast.

4. Be More Than Quantitative— Find Causal Factors

Straight statistical extrapolation is fine for simple situations with short time horizons. But more variables can affect the forecast over a longer horizon. The factors most likely to influence the forecast need to be identified and their possible impacts assessed as closely as they can be.

Sometimes causal factors can be obvious. For example, when forecasting anticipated growth in sales of sunglasses, one should take into account weather forecasts, as abnormally sunny or rainy weather can dramatically influence consumer purchase behavior. Other times, if you look more closely, causal relationships aren't so obvious. Which is why you wouldn't normally guess that Seattle is the No. 1 market in America for sunglasses per capita. Seattle? Rainy, overcast Seattle? Well, it turns out that since the sunshine is far less frequent, people have a habit of losing their sunglasses between uses and need to constantly buy new ones.

The first step in identifying causal factors (if you haven't already done so) is to convene an "expert panel" of people from within your organization who possess several years of experience. Supplement the panel with suppliers, channel partners or leading academics in the field, and ask them to identify and rank the things that tend to make sales go up or down. Try to translate the responses into definitions of factors for which there are historical measures (like weather, industry sales of complementary products, medical conditions, etc.). Where necessary, look for proxy measures that might be reasonably good approximations of the real factor—like population growth is a proxy for demand for haircuts.

Once you've identified some potential causal factors or proxies, again look to statistical methods like regression models to test the extent to which the causal factor is truly causal (e.g., is directly or inversely related to actual historical sales). Allow the quantitative process to remove any personal bias about which factors might be most causal. Also allow it to eliminate causal elements that are linked and thereby redundant.

Many forecasting experts agree that evaluating the results from multiple forecasting approaches is indeed the best way to ensure that you have the fullest perspective on the possible outcomes. Armed with that perspective, you can apply your experience and instinct to determining the most likely forecast scenario.

5. K.I.S.S.

As with most things in life, simplicity is a virtue in forecasting. Einstein said "things should be made as simple as possible, but no simpler." In forecasting, we interpret that to mean that an accurate and reliable forecasting process should be comprehensive enough to identify the truly causal factors but simple enough to explain to those who will need to make decisions based on it. There is no power in a forecast if those who need to trust it cannot understand or explain the logic and process behind it. ■

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Elevate the Stature of Marketing Inside Your Company

by **Roy Young**
July 27, 2004

Recent surveys have found that marketing professionals feel undervalued[1] and CEOs are dissatisfied with their marketing organizations[2].

That means it's up to us to make sure others inside our organizations fully understand the contribution and the promise of Marketing. Are you taking the necessary steps now to elevate the stature of Marketing as the engine of your organization?

The first step is to know where you stand with "internal customers." A great way to find out is to conduct an assessment in two parts: an opinion survey and a self-assessment.

An opinion survey produces results you can use when you include questions covering the three dimensions of marketing:

- *Managing outward:* creating equity in the marketplace
- *Managing inward:* creating equity in the organization
- *Managing forward:* creating future equity for the organization

You should give all employees in other major functional areas a chance to provide input. You may also want to survey the marketing staff using the same survey instrument. This helps you identify gaps or differences in the perceptions of marketing between marketing staff and those in other functional areas.

Below is a partial example of a survey instrument that I use to conduct an assessment for senior marketing clients as an objective professional outside the organization.

Sample Survey Instrument to Assess Internal Perceptions of Marketing

Distribute this survey instrument throughout your organization. Explain that the survey is being conducted to help Marketing better meet the needs of its internal constituencies.

Ask staff to rate the marketing staff or function in the organization on each item, such as those listed below, on a scale of 1 to 7, where 7 means "strongly agree" and 1 means "strongly disagree." Ask respondents to report their functional area only if the number of employees is large enough so that respondents will trust that their identity will not be known.

1. Managing Outward: Creating Equity in the Marketplace

___Keeps the organization focused on customers

___Makes decisions based on analysis and testing

___Produces results in earnings for the business in the short term

___Produces results that grow revenues in the long term

___Drives speed to market

___Develops breakthrough ideas for selling products/services

___Produces winning new product/service concepts

___Creates effective communications with customers and prospects

___Establishes strong relationships with vendors and supply chain partners

___Applies the best marketing tools and techniques

2. Managing Inward: Creating Equity in the Organization

___Works effectively across organizational boundaries

___Is trustworthy and credible

___Applies hard evidence to communicate or sell ideas

___Uses soft evidence to communicate or sell ideas

___Uses effective work processes

___Develops meaningful measures to determine its effectiveness

___Helps me in my work

___Works productively

___Provides input to customer-related issues throughout the organization

___Uses information effectively to make decisions and communicate to others

3. Managing Forward: Creating Future Equity

___Takes risks for future returns

___Identifies changes in the market and consequences for the organization

___Evolves in anticipation of changes and plans accordingly

___Leads new product development teams effectively

___Provides valuable input on new product development teams

___Initiates new ideas for future growth strategies

___Communicates future scenarios throughout the organization

___Evaluates long-term profit potential of different customer segments

___Grooms and mentors key staff for the future

___Learns from successes and failures of the organization and other organizations

A thorough analysis of the data from the survey provides useful insight into perceptions of Marketing's strengths and weaknesses. You should certainly distribute a summary version of the survey results throughout the organization, indicating some elements of an action plan to strengthen relationships.

The second part of the assessment is a systematic self-assessment. Below is a sample from the questions I often use for this part of the assessment.

Self-Assessment Questions

1. How much time each week on average does each member of your staff spend now with staff in other functional areas? How does this compare to last year?

2. What functional areas have strong connections to marketing? What functional areas have weak connections to marketing? Why? What can be done to improve the weak connections? How can you use the strong connections more effectively?

3. Rate your CFO's marketing intelligence, using indicators like the following:

   a. Thinks of marketing only as a set of inputs (expense) to help sell products and services

   b. Believes marketing is accountable for plans and implementation

   c. Understands marketing as a professional discipline

   d. Values marketing's insight about customers

   e. Values marketing's insight to help set the company apart from the competition

   f. Understands marketing as the driver of cash flow

   g. Understands marketing as an important voice in discussions of profitable growth

4. Has the organization adopted the use of customer-focused metrics? How is this working/not working to educate the CFO? Are campaign performance measures applied appropriately?

5. What needs to be done to improve the relationship of Marketing and Sales? Consider:

   a. Top-management oversight

   b. Willingness to share customer information

   c. Divergent assessment of the competition and the changing marketplace

   d. Servicing key accounts

   e. New customer acquisition versus customer retention

A recent study by Spencer Stuart, the global executive search firm, recommends that marketers "build allies across the organization" if they want to make a mark in their organization.[3]

The way to start to build strong relationships is to understand where you stand now. A thorough assessment will show you the way.

Notes:

[1] *BtoB: The Magazine for Marketing Strategists*, June 7, 2004, reports that findings from two different surveys "indicate the marketing profession is struggling with something of an inferiority complex."

[2] *Chief Executive*, June 2004, where the CEO Confidence Index found that only 18% of CEOs surveyed are "very satisfied" with their marketing organizations.

[3] A new study by Spencer Stuart, the global executive search firm, found that chief marketing officers (CMOs) at the largest companies have a relatively short tenure (for a copy of *CMO Tenure: Slowing Down the Revolving Door*, go to http://www.spencerstuart.com/common/pdflib/CMO_brochureU1.pdf). ■

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Marketing and IT: Two Solitudes

by **Stephen Shaw**
December 14, 2004

The meeting was only a few minutes old when it erupted into a shouting match. At one end of the table, the IT staff in charge of selecting an analytical tool for the Marketing group; at the other, the end-user sponsors of the project.

At issue was whether the needs of Marketing were being compromised in the interests of expediency.

Mutual animosity had been building up ever since Marketing had first won approval for a multimillion-dollar customer database six months earlier. During that period, the IT department had furtively transformed the project into the start of an enterprise data warehouse, effectively hijacking the budget.

When it dawned on the Marketing group what had happened, it felt swindled. Even more galling, IT was now insisting on acceptance of an analytical tool, already in use, simply because spare seat licenses existed—despite the fact it was clearly inferior (in the opinion of Marketing) to alternative products on the market.

No wonder the exchange was so acrimonious. All trust and credibility had been lost between the two groups. But the rancor they felt was not unusual: it pretty much characterizes the everyday state of relations between Marketing and IT. In fact, according to a recent Forrester Research survey, more than half of marketing executives who responded "see IT as having little understanding of how technology can support marketing."

One explanation for the bad blood is that Marketing and IT are culturally distinct: two solitudes divided by opposing agendas. The disposition of IT is shaped by its prime directive to rule over the deployment of all technology; therefore, cost containment and risk reduction are natural concerns on every project. The job of Marketing, by contrast, is to generate business growth; any obstructions to that goal, no matter how warranted, are fiercely resisted.

Each group speaks a different idiom, and neither side is willing to gain familiarity with the other. Marketing gets annoyed at what it views as obfuscation, usually in the form of slippery excuses for project delays, while IT invariably complains of wooly job specifications. Both perspectives are valid: Marketing has an aversion to technology (unless it makes it job easier) and is often guilty of equivocation, while IT habitually retreats behind an impenetrable wall of jargon.

At a time when Marketing is in desperate need of a sharply-toned IT infrastructure, mainly to cope with a rising swell of consumer data, these petty squabbles are a major barrier to improving the customer experience. Marketing and IT must stop nursing old grudges and form a united front to pursue those high-impact changes that will create value for customers. Without a common vision for the role of technology in customer management, and agreement on a path to get there, progress will continue to be thwarted by needless bickering.

Convulsive Change

In a provocative Harvard Business Review article last year ("IT Doesn't Matter," May 2003), the argument was advanced that technology has become a commodity—that "existing capabilities are largely sufficient" to satisfy the needs of companies.

That may be true in most operational areas of a company, but it is absolutely not the case in Marketing. Ever since the advent of the punch-card era, the needs of Marketing have been largely passed over in favor of automating routine business processes (payroll, order entry, and so on).

But the awakening of interest in CRM beginning in the late 1990s, combined with the mainstream arrival of digital media, has given Marketing an opportunity to catch up. The trouble is that Marketing has always had a chronic inability to articulate a consistent and stable set of requirements—something IT insists on due to its tightly wound methodologies.

Even though application development cycles are far more compressed and flexible than in the past, making it easier to accommodate last-minute changes, most IT shops still prefer to work from a fixed blueprint.

Just as perplexing for IT is the volatility of the marketing automation sector, which has undergone several evolutionary phases in quick succession and operates with perpetually shifting boundaries. Technology vendors doggedly stake out new and often overlapping functional advantages for the sake of competitive one-upmanship. With vendors prone to inflated claims, and few able to show verifiable examples of crossover integration, marketers have a tough time sorting out the essential parts of an integrated system. Should they opt for an all-purpose application suite—or assemble a myriad point solutions into a unified architecture?

What makes CRM planning such a high-wire act is that marketing itself is undergoing convulsive change. Instead of serving exclusively as the custodian of branding and communications, marketers are being asked to take ownership of the customer experience. So their needs today stretch far beyond the database-driven direct mail programs of the past: they encompass the intelligent day-to-day handling of real-time customer interactions.

Constant Tweaking

Today, every marketing process must be wrapped around the goal of identifying and adjusting to the ever-changing needs of customers. Essential to managing the customer lifecycle is the mastery of such emerging disciplines as customer analytics, segment planning, feedback management, scenario design, content versioning and performance tracking—all reliant on tightly synchronized information handoffs.

In the future, marketing success will be defined by the inventive use of all addressable media to continuously interact with customers while responding nimbly to unexpected actions and events. As Forrester Research notes: "Three technology trends—media fragmentation, addressability, and interactivity—are converging on the world of marketing and advertising. In a new era of Left Brain Marketing, analytical strategies grounded in deep audience knowledge will rise to predominance."

This transition from push to pull marketing, where the terms of engagement are shaped almost entirely by the customer, presents a forbidding set of technology hurdles, chief among them the following:

- **Integration of disparate data sources**—The incisiveness of "audience knowledge" is dependent on a multihued picture of the customer, where raw data is grouped into major dimensions (e.g., purchase behavior, channel interactions and customer attributes) by varying levels of summarization. This consolidated pool of customer-level information—distinct from a centralized operational store that can support many diverse views using the same facts—is engineered explicitly for customer segmentation and profiling.
- **Multi-channel deployment of treatment rules**—A rules repository of "if… then… else" statements, derived through customer analysis and data mining, must be loaded into a decision engine in order to present situational offers in real-time, serve up customized content, deliver personalized messaging, automatically route service inquiries for priority treatment, and trigger alerts based on predefined conditions.
- **Harnessing of customer feedback**—The Internet's evolution from a content management and display medium to a conversational channel is unleashing a torrential stream of unstructured data that must be parsed and converted into actionable information. The job of creating a suitable taxonomy and charting this vast sea of semantic data is only possible if feedback interfaces and applications are designed to simplify the task.

To make the leap from analog thinking and drawn-out planning cycles to an "always-on" networked environment, marketers have to get over the notion that application management is strictly a backroom function. A key responsibility going forward will be the constant tweaking of treatment rules governing different scenarios, such as complaint arbitration in the contact center or the communication of unique offers and entitlements to different customer segments. To ensure timely refinement of these rules, Marketing has to be technically savvy enough to itself make the desired changes.

To liberate marketers from the tyranny of the job queue, IT must upgrade its architecture to make it more modular by embracing open standard technologies (e.g., Java, .NET). A modular architecture decouples the rules and workflow from the application itself, alleviating the maintenance burden. That frees IT to concentrate on systems and data integration across the enterprise.

Finally, Marketing and IT must patch over their differences and jointly work on mapping customer management goals to technology solutions. They should team up with operational departments to identify sore spots for customers; resolve overlapping internal jurisdictions; map out horizontal workflows; decide on the tools they really need; and re-define their respective roles.

Through the cross-functional exchange of ideas, the high-impact fixes can be more easily identified and agreed on. These deliberations should be complemented by incubation sessions during which more radical ideas for improvement and innovation can be hatched. By putting aside their historical grievances, Marketing and IT can take a leadership role in accelerating the transition to a customer orientation. A more collaborative partnership will mean they'll no longer have any need to shout at each other. ■

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Five Serious Considerations (and a Checklist) for Your Next Marketing Plan

by **Laura Patterson**
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Most business people intuitively know that the key to successful marketing is having a marketing plan—a blueprint for action. However, many companies operate without one, focusing instead on the issues of the moment without committing to a long-term strategy.

A marketing plan does not need to be complex, but it does require several elements to be effective. The plan should include market research to understand the customer, defensible positioning to own a space in the customers' mind, strategies and tactics to meet the company's marketing goals, and metrics to track progress toward those goals.

Most importantly, a marketing plan must be aligned with the company's business plan.

"Don't even think of waging a battle or producing marketing materials without a plan," advises Jay Conrad Levinson, president of Guerrilla Marketing, International.

Most business people understand that such a road map enables the organization to achieve business outcomes—often related to increased market share, improved customer lifetime value, and enhanced profitability.

There are a multitude of reasons for creating a marketing plan: to provide strategic direction, create a dialogue with senior management, communicate priorities, obtain buy-in from other parts of the organization and request resources.

An effective plan can positively impact the bottom line. Research shows that companies with a marketing plan experience a 24-30% improvement in sales over those without.

A marketing plan must be relevant and actionable. It should gather and distill the learning of the organization into one document that charts a course of action. A well-constructed marketing plan answers the following questions:

- What economic and business environment are you experiencing?
- What opportunities and problems/challenges are you facing?
- What business objectives do you expect to achieve?
- What exactly do you sell?
- Who specifically are your customers/targets?
- Why should these people buy your products or services rather than your competitors'?
- How will you communicate your product or service to your customers/targets?
- Who will do what, when?
- How are you going to measure and report your progress?

Every company should address and include five areas when developing their plan:

1. Market Research

If marketers are to accomplish the task of creating and keeping customers, they must conduct research to understand their markets and the shifts in the marketplace. Through research and evaluation of their products or services, companies learn what customers value most and what barriers exist to marketing their offerings.

This knowledge guides decision-making and can reduce the number of projects to be undertaken and increase the usefulness of those that are.

Market research provides the input necessary to analyze your company's situation. It provides the rationale for the decisions being recommended in the plan. Market research should examine the macro environment, market size, internal trends, competitive situation, market requirements, product/service purchasing attributes and supplier-evaluation criteria.

As you conduct research and analyze the market, you should consider a number of questions, include these:

- What market are you trying to serve? How big is your market?
- Are there segments in your market?
- What are the overall trends and developments in your industry?
- What is the rate of market growth or shrinkage over time?
- Are there any differences in market growth by time of year?
- How big are you competitors? What companies have what portions of the market?
- What products or services do your competitors offer? How do they differ from yours?
- How does competitors' pricing compare with yours?
- What marketing strategies and tactics does the competition use, and to what degree of success?
- What are the competitors' strengths and weaknesses? How will you defend and exploit each of these?
- What are the key factors for success in the market you are trying to serve?

It is important to view market research as an investment, not an expense. Even on a small budget, companies can search on the Internet and in libraries, purchase reports and conduct focus groups and electronic surveys.

It is also crucial to conduct research regularly and periodically, as markets change very rapidly in today's dynamic environment.

2. Positioning

A defensible market position and clear value proposition form the foundation for the creation of a marketing plan. Marketing initiatives within the plan should be anchored to the company's positioning to create a consistent dialogue with the customer.

Using market research, companies can better understand what their customers value about the company and its offerings. This information can guide the positioning of the company, locating a defensible position in the market and owning that space in the mind of the customer.

They must also make sure that the company's pricing and offerings are aligned with the value perceived with the customer.

Good positioning occurs within a competitive framework, which is often a result of a complete analysis of strengths, weaknesses, opportunities and threats, also known as SWOT.

SWOT may have its own section in a plan, but the SWOT analysis serves as a good foundation for positioning. Its purpose is to assess your organization's capabilities and that of your competitors' within the context of four questions:

1. What internal **strengths** do your organization or product/service have—compared with your competitions'—that will improve sales?
2. What internal **weaknesses** do your organization or products/services have—compared with competitions'—that will hinder sales?
3. What external **opportunities** are available to your organization or product/service that will improve sales?
4. What external **threats**, over which your organization may have no control, are confronting your organization or product/service that you may have to react to?

3. Strategies and Tactics

Moving a prospective client from a stage of awareness to one of consideration takes a sound marketing strategy designed to drive demand and influence purchasing behavior. According to famed business strategist Michael Porter, a strategy "creates a company's position, making trade-offs and forging fit among activities."

Marketing strategies are often formed around selling existing products in existing markets, extending existing products to new markets, or introducing new products to new markets.

Strategies often include the expected results; they also provide the "how" and the direction for the course of action. Strategies describe the broad direction that the organization will take to achieve the stated objectives. Strategies define how the organization will compete in the market, reach target customers, position the product/service and motivate customers to buy.

With clear strategies in place, a logical set of tactical operations and actions follow. It is from these tactics that the timelines, resources and budget for the marketing plan are derived.

Tactics are the specific actions you use to implement the strategies. The tactics section of a plan defines exactly what you plan to do, why and how the action will improve the organization, who will be responsible for each action, how long each action will take, when it will be done, and what the cost will be for each action.

4. Metrics

Providing a means to assess progress, metrics are an essential part of any marketing plan. By constantly measuring actual performance against the metrics, companies can determine whether they are meeting the objectives of the plan and whether an adjustment is required.

The objectives of a marketing plan are typically stated around one of three strategic metrics: market share, lifetime value and brand equity—the three areas of marketing responsibility. Choose metrics and the appropriate key performance indicators that you have a method of measuring.

Like market research, metrics must be taken periodically to remain effective as markets change. Metrics tend to reveal more information when taken regularly over a long period of time, showing which initiatives are most successful and efficient. This can rally support for the plan, as metrics demonstrate accountability and provide evidence for undertaking certain marketing projects.

5. Business Plan Alignment

Most importantly, the marketing plan must be in synch with the company's business plan. Marketing goals must be prioritized in line with the company's business goals. Marketing strategies should be based on how the company can best provide value.

Demand-generation tactics must be aligned with the sales pipeline and the goals of the sales organization. Some people create their marketing plan in a vacuum and are surprised when they find little support and success in their plan.

A Marketing Plan Checklist

With knowledge in these five areas, the marketing plan should come together easily. The following checklist will help round out the marketing plan and ensure its completeness. The marketing plan should address these questions:

- Who is being served? Who are the right sets of customers?
- What are their needs and priorities? What is a meaningful value proposition and brand promise?
- How can quality product/service be provided cost effectively?
- Are outside conditions right for the company's product/service?
- What is the most convenient way to bring the product/service to the market? How can the product/service be best delivered to fulfill the brand promise?
- What are the best ways to inform the market about the products/services?
- How will the company measure if the market is satisfied?
- What can the company do to make things even better?
- How can the company become the customer's first choice?

To be effective, a marketing plan identifies options, prioritizes resources and selects the best opportunities. It serves as the foundation for the activities that create and nurture a promise of value to the customer.

Properly created, the marketing plan is a living document; it is anchored to the overall business goals and focuses on customer value, growth and profitability. ■

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